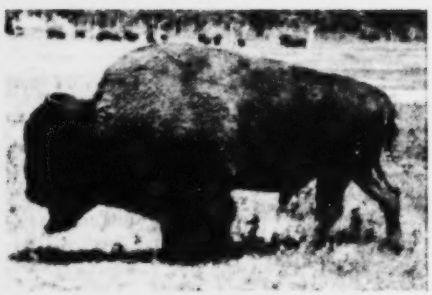
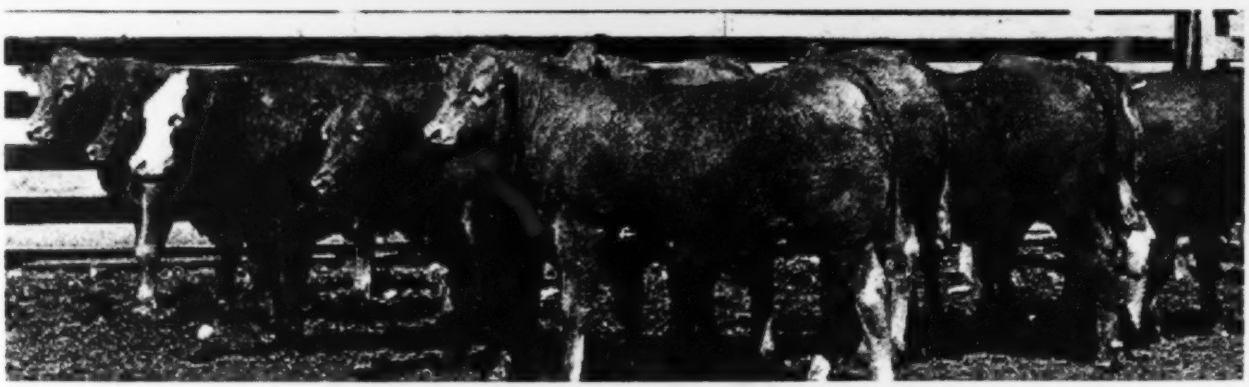
2002

Manitoba Livestock Industry Profiles





Manitoba

Building for the Future

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June, 2003

SOURCES AND DEFINITIONS

Sources:

Agriculture and Agri-Food Canada
Ayerst Organics Ltd.
Canadian Co-operative Wool Growers Ltd.
Canadian Food Inspection Agency
CANFAX
Ian Thorleifson
Manitoba Agriculture and Food
Manitoba Auction Markets
Manitoba Bureau of Statistics
Manitoba Milk Producers
Manitoba sheep and goat producers
Statistics Canada (for updated livestock data: http://www.statcan.ca)

Definitions:

Marketings = Inspected slaughter of Manitoba-origin livestock in Manitoba + exports of livestock to other provinces and countries - imports of livestock from other provinces and countries + livestock custom-killed on Manitoba farms.

Production = Slaughter of Manitoba-origin livestock in Manitoba + exports of livestock to other provinces and countries - imports of livestock from other provinces and countries + livestock custom-killed on Manitoba farms +/- change in on-farm livestock inventory from January 1 - January 1.

Farm Cash Receipts = Marketings in calendar year x average farm gate price (quoted commodity price less any levies as defined by Statistics Canada) + direct program payments.

Value of Production - Livestock production as defined above x average quoted commodity price (levies are not deducted as they are assumed to be an expense or a cost of doing business, such as broker's fees, auction market fees, cost of transportation to market, etc.).

Exports - The data may exclude Manitoba product marketed through companies in other provinces and subsequently exported or may include product from other provinces exported by Manitoba companies e.g. pork shipped from Manitoba plants to plants in Ontario and Quebec for further processing and export.

Imports - The data may exclude imported product sold in Manitoba by companies from other provinces e.g. New Zealand lamb imported by a national company with its head office in Calgary, but sold to Manitoba consumers, may be included with Alberta imports.

103-05656/

CATTLE AND BEEF SECTOR

CATTLE AND BEEF SECTOR PROFILE

Production:

Manitoba has Canada's third largest beef cow herd, after Alberta and Saskatchewan, with 12 percent of the nation's beef cows and 1.7 percent of total North American beef cows in 2002. Beef cow numbers in Manitoba increased fairly steadily at an average annual rate of about two percent from 1987 until 1992. Cow numbers then rose by an annual average rate of almost six percent to 1997. According to Statistics Canada, Manitoba's beef cow herd declined by one percent in both 1998 and 1999, remained steady in 2000, but increased in 2001 and 2002. In 2002, Manitoba's 10,500 beef cattle producers marketed about 530,000 head for slaughter or sale out of the province. Net sales were up by 25,000 head from the 2001 level. The value of 535,000 cattle produced in 2002 (including an increase in inventory of 5,000 head) was close to $510 million, about one-seventh of the total value of agricultural production in the province. About 98 percent of commercial beef cattle operations were cow-calf with many producers retaining and/or buying calves for further feeding to be sold as "stockers", "short-keeps" or for slaughter. The remaining 2 percent of commercial operations were feedlots, the largest of which had a capacity of 6,500 head. The beef cattle industry used about $300 million of feed in 2002.

Marketings:

As Manitoba's cattle slaughter industry has declined from a peak of 581,000 head in 1976 to 16,370 head in 2002, most of the beef cattle produced in Manitoba are sold out of the province. In 2002, 103,400 finished cattle, 103,900 cull cows and bulls, 54,000 feeder cattle and 700 others, valued at $269.9 million, were exported from Manitoba ports of exit to the United States. About 25,500 slaughter cattle and 310,000 feeder cattle and calves were sold mainly to Alberta and Ontario. Close to 17,000 slaughter cattle and 61,400 feeder cattle were brought into Manitoba from Saskatchewan in 2002, many of which were subsequently exported.

Beef Processing and Trade:

Two small federally-inspected plants slaughtered about 6,663 cattle in 2002, while 9,710 head were killed in 24 provincially-inspected plants in Manitoba. Beef production was estimated at 12.4 million lb. (carcass weight) valued at $21 million. Beef and beef products valued at $4.4 million were exported in 2002 with most of the exports going to the United States. Smaller quantities of beef were shipped to Japan. Much of the beef consumed in Manitoba comes from Alberta or the United States. Only 140 cattle were imported into Manitoba from the U.S. in 2002, while beef valued at $14.8 million and raw hides valued at $8.8 million were imported directly from the U.S. and other countries in 2002.

Potential:

Manitoba has the potential to significantly increase the number of cattle finished in the province. Less than one third of the calves produced are fed to slaughter weight, the remainder being sold as calves, as stockers or as heavy feeders.

CATTLE AND BEEF SECTOR

	1999[R]	2000[R]	2001[R]	2002[P]	'02 as a % of '01
NO. OF BEEF CATTLE FARMS:	10,920	10,295	10,500	10,500	100
(farms, 51+% of income from beef cattle):	7,380	7,755	7,232	7,000	97
BEEF CATTLE ON FARMS JULY 1 ('000):					
Bulls	25.2	25.8	26.2	26.3	100
Beef Cows	554.0	554.0	566.0	574.0	101
% of Canada	12.2	11.8	11.8	12.1	
Beef Replacement Heifers	81.0	82.0	84.0	92.0	110
Beef Slaughter Heifers	61.8	60.8	61.8	73.7	119
Steers	87.8	84.1	103.6	110.4	107
Calves under one year	497.8	509.7	497.6	508.5	102
Beef Cattle	1,307.6	1,316.4	1,339.2	1,384.9	103
% of Canada	10.7	10.3	10.1	10.5	
CATTLE/CALF PRODUCTION ('000):	521	520	545	535	98
% of Canada	11.1	10.6	10.8	10.8	
AVERAGE CATTLE PRICES ($/cwt):					
Grade A Steers	86.78	95.28	103.45	96.91	94
D1,2 Cows	56.40	61.55	66.43	58.65	88
Feeder Steers (800-900lb)	104.84	118.87	125.07	113.07	90
Feeder Steers (700-800lb)	110.97	126.10	132.80	118.54	89
Steer Calves (500-600lb)	126.48	147.74	154.23	133.72	87
VALUE OF CATTLE PROD ($ million):	444	489	566	510	90
CATTLE CASH RECEIPTS* ($ million):	462.0	485.7	578.5	555.7	96
% of Canada	7.4	7.1	7.8	7.4	
(*includes Sk/Ab cattle exported through Manitoba)					
CATTLE SLAUGHTER:					
Inspected slaughter in Manitoba	19,608	17,316	15,948	16,373	103
% of Canada	0.5	0.5	0.4	0.4	
Mb-origin Slaughter in Canada	39,700	39,400	48,200	41,900	87
% of Canada	1.0	1.0	1.3	1.1	
BEEF PRODUCTION (million lb. dress)	14.1	13.2	12.2	12.4	102
($ million estimate):	21	22	22	21	95
EXPORTS:					
Beef cattle ($ million)	173.5	184.6	254.7	269.9	106
Beef cattle ('000 head)	169.5	164.5	214.5	262.0	122
Beef/Beef Products ($ million)	6.5	6.9	5.3	4.4	83
Cattle Hides & Semen ($ million)	0.5	0.6	0.4	0.2	50
IMPORTS:					
Beef cattle ($ million)	0.8	2.9	2.5	0.4	16
Beef cattle ('000 head)	0.5	3.4	2.9	0.1	3
Beef/Beef Products ($ million)	12.3	9.6	12.7	14.8	117
Cattle Hides & Semen ($ million)	17.0	19.6	9.4	8.8	94
CDN. PER CAPITA DISAPPEARANCE:					
Beef and veal (carcass weight (lb))	74.5	73.2	70.1	68.6	98

BEEF CATTLE INDUSTRY CHART, 2002

ANNUAL FEED REQUIRED:
$300 MILLION

11,000 FARMS WITH BEEF/DAIRY CATTLE
3,000 PART/ FULL-TIME HIRED LABOUR
1,470,000 CATTLE ON FARMS JULY 1/02

OTHER ANNUAL CAPITAL & OPERATING EXPENDITURE:
$350 MILLION

IMPORTS OF BREEDING STOCK: 40

EXPORTS OF BREEDING STOCK: 50

HERDS WITH MILK COWS:
FARMS: 800
MILK COWS: 41,500
HEIFERS: 20,000

INTERPROVINCIAL MOVEMENT OF BREEDING STOCK

BEEF HERDS
FARMS: 10,500
COWS: 574,000
REP. HFRS: 92,000

IMPORTS OF BREEDING STOCK 30

EXPORTS OF BREEDING STOCK: 705

FEEDER CALVES

COMMERCIAL MARKETINGS OF SLAUGHTER OR FEEDER CATTLE

CATTLE SOLD TO MANITOBA PRODUCERS:
*75,000 HEAD [E]

FED/PROV. INSPECTED SLAUGHTER PLANTS:
16,370 HEAD
9 MILLION LB (RETAIL.)

SLAUGHTER CATTLE:
IMPORTS: 0
INTERPROVINCIAL IN: 0

CATTLE SALES

	AUCTION	TERMINAL
FEEDER	* 439,000	
SLAUGHTER	74,000	175,000
TOTAL	* 513,000	175,000

FEEDER IMPORTS: 110
INTERPROVINCIAL IN:
FEEDER: 61,400
SLAUGHTER: 17,000

FRESH & PROCESS. BEEF
58.7 MILLION LB (RETAIL)

FRESH & PROC. BEEF
IMPORTS: 5.9 MILLION LB
PROV. IN: 43.8 MILLION LB

CATTLE FOR SLAUGHTER:
EXPORTS: 207,300
INTERPROVINCIAL OUT: 25,500

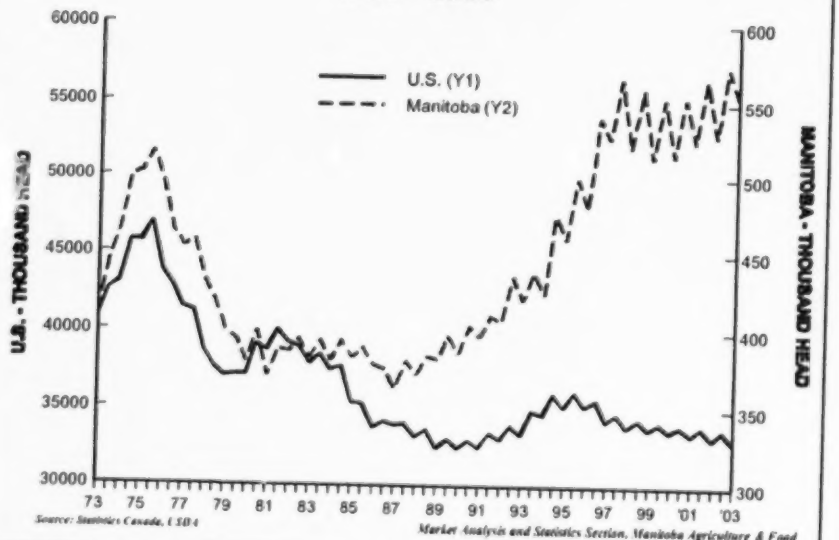
OTHER CATTLE:
EXPORTS: 54,000
INTERPROVINCIAL OUT:
WEST: 209,000[E]
EAST: 101,000[E]

MANITOBA MARKET: FRESH & PROCESSED
58 MILLION LB

FRESH & PROCESSED BEEF EXPORTS : 0.7 MILLION LB

DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada, Manitoba Auction Markets.
[E] Estimated * Some cattle may have been sold more than once.

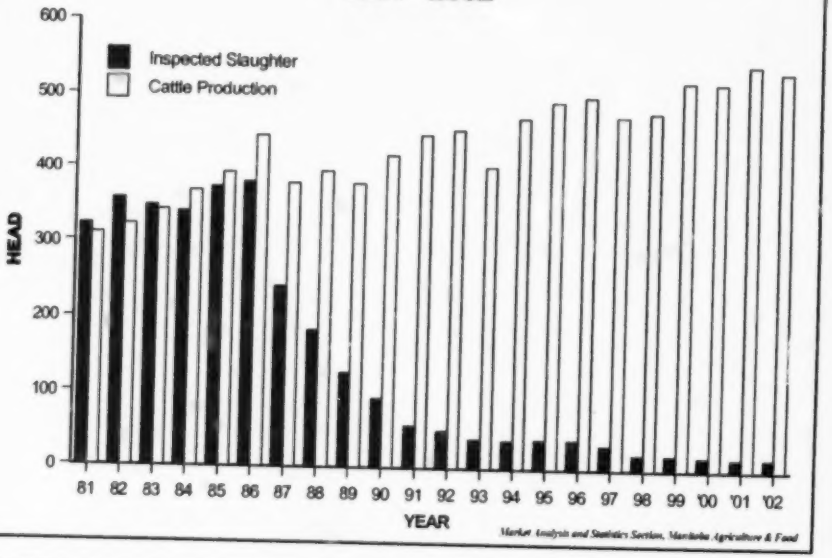
MANITOBA AND U.S. BEEF COW INVENTORY
1973 - 2003



Source: Statistics Canada, USDA

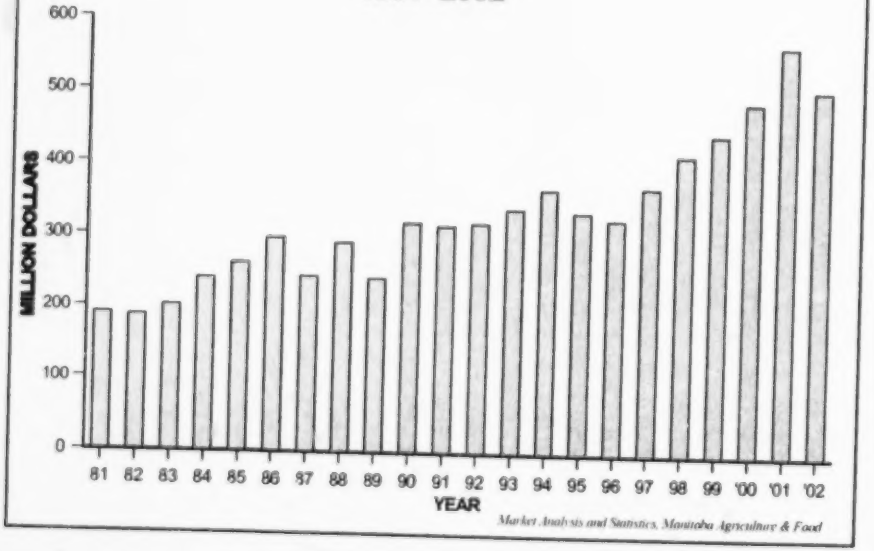
Market Analysis and Statistics Section, Manitoba Agriculture & Food

CATTLE PRODUCTION AND SLAUGHTER, MANITOBA
1981 - 2002



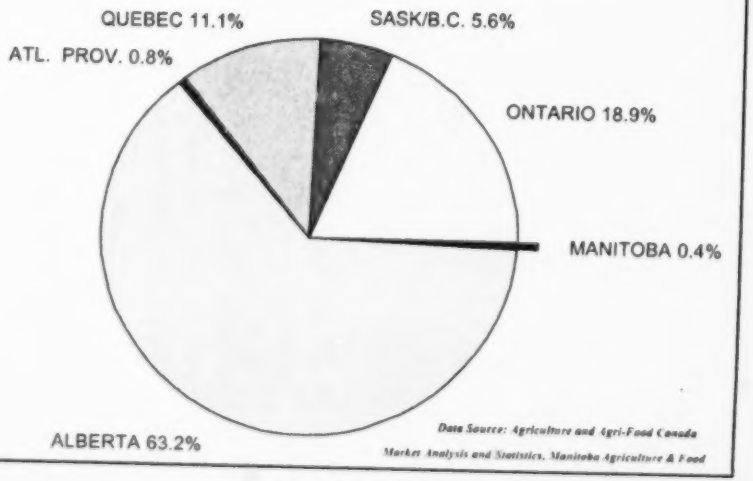
Market Analysis and Statistics Section, Manitoba Agriculture & Food

VALUE OF CATTLE PRODUCTION
1981- 2002



Market Analysis and Statistics, Manitoba Agriculture & Food

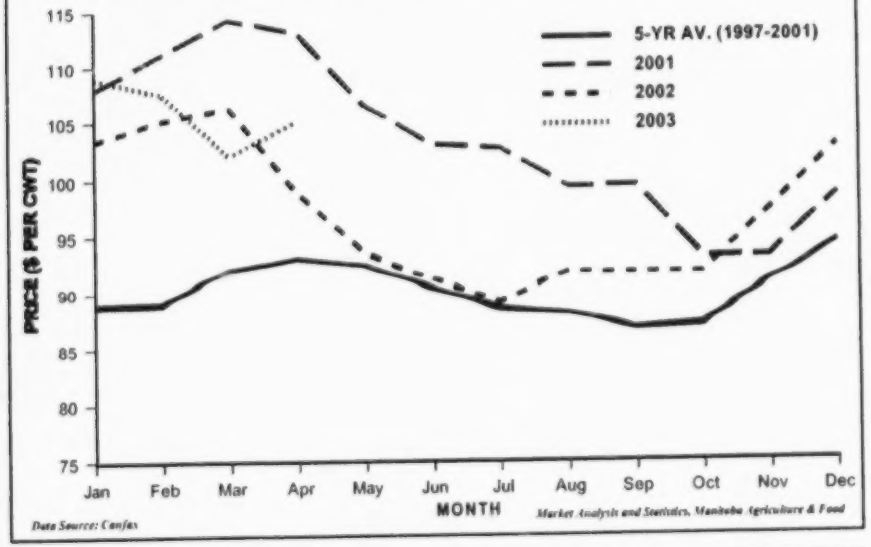
CATTLE/CALF SLAUGHTER BY PROVINCE
2002



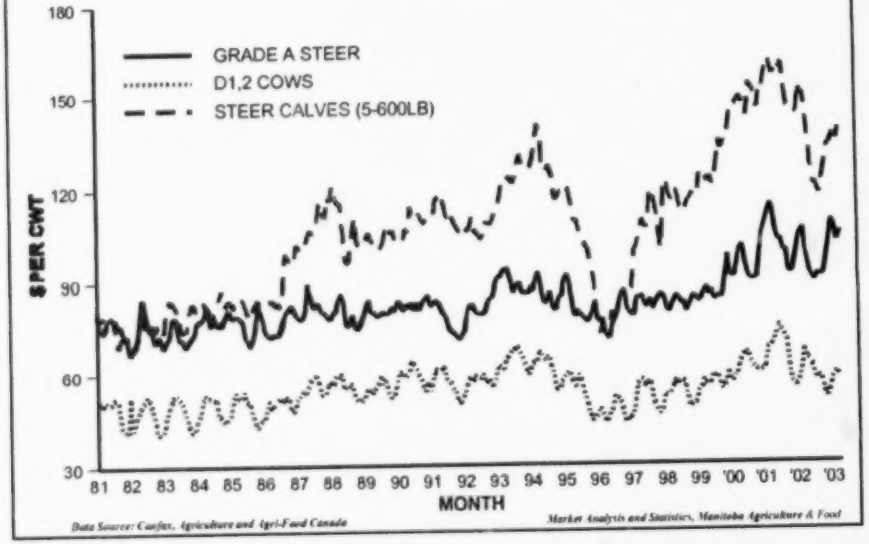
Data Source: Agriculture and Agri-Food Canada

Market Analysis and Statistics, Manitoba Agriculture & Food

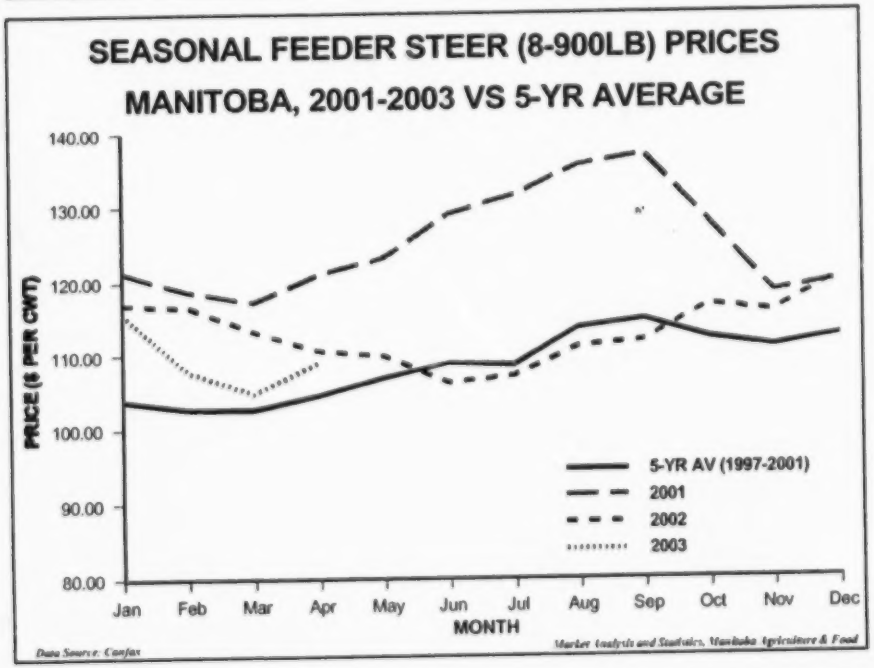
SEASONAL GRADE A STEER PRICES
MANITOBA, 2001-2003 VS 5-YR AVERAGE



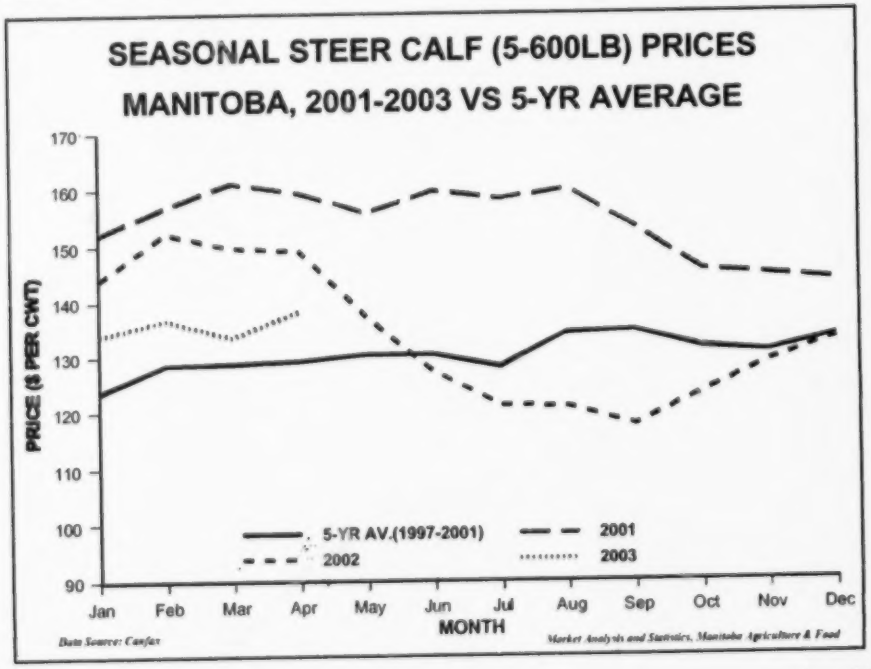
MANITOBA CATTLE PRICES BY MONTH
1981 - 2003


$ PER CWT
180
150
120
90
60
30
GRADE A STEER
D1,2 COWS
STEER CALVES (5-600LB)
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 '00 '01 '02 '03
MONTH
Data Source: Canfax, Agriculture and Agri-Food Canada
Market Analysis and Statistics, Manitoba Agriculture & Food

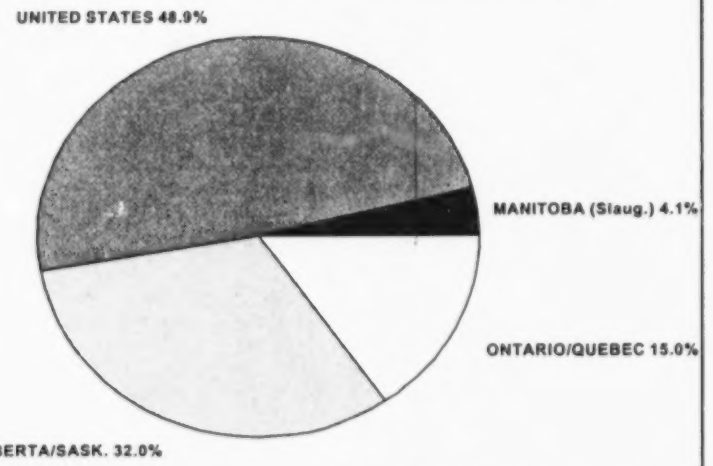
SEASONAL FEEDER STEER (8-900LB) PRICES
MANITOBA, 2001-2003 VS 5-YR AVERAGE



SEASONAL STEER CALF (5-600LB) PRICES
MANITOBA, 2001-2003 VS 5-YR AVERAGE



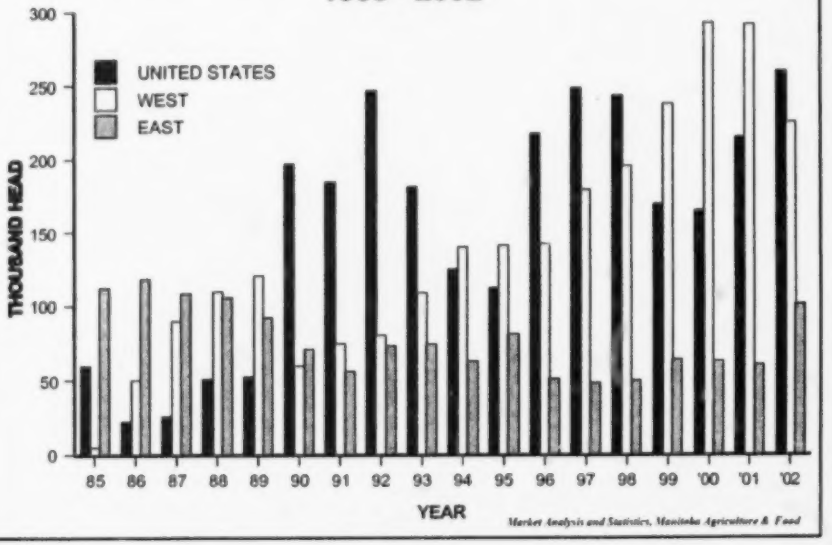
MANITOBA CATTLE/BEEF*: DESTINATION AND PERCENTAGE OF CATTLE* SALES, 2002



* based on equivalent live weight

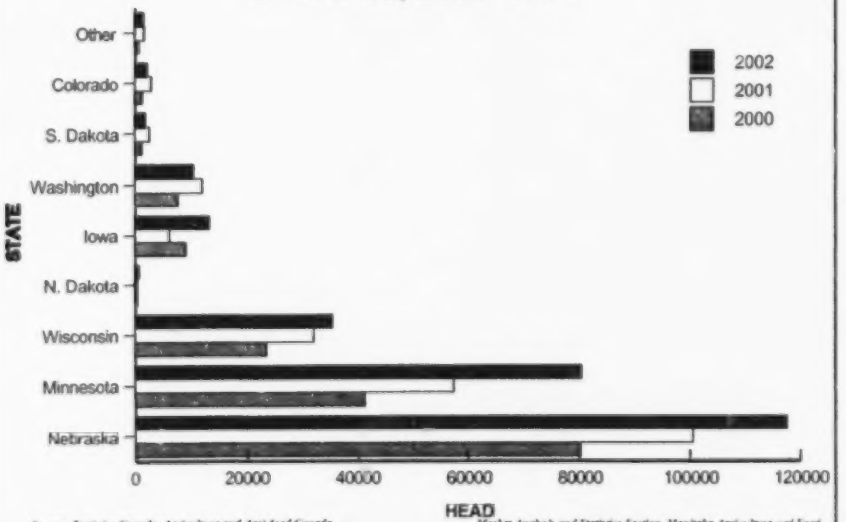
Market Analysis and Statistics, Manitoba Agriculture & Food

ESTIMATED MOVEMENT OF MANITOBA CATTLE 1985 - 2002



Market Analysis and Statistics, Manitoba Agriculture & Food

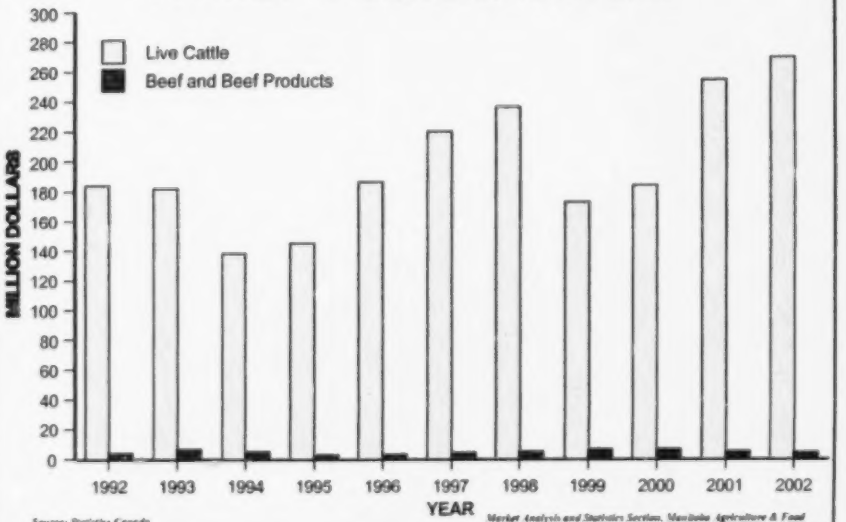
EXPORTS OF MANITOBA CATTLE TO USA BY STATE, 2000 - 2002



Source: Statistics Canada, Agriculture and Agri-food Canada

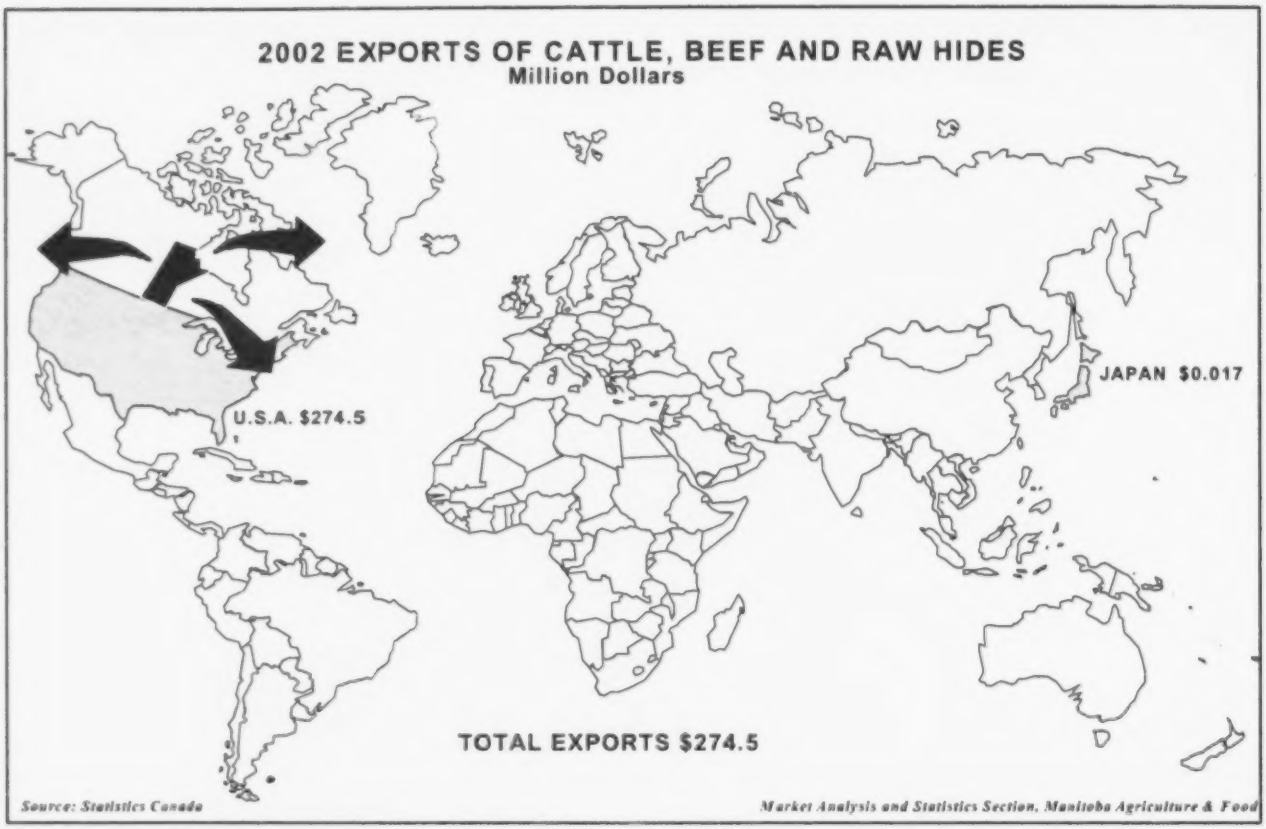
Market Analysis and Statistics Section, Manitoba Agriculture and Food

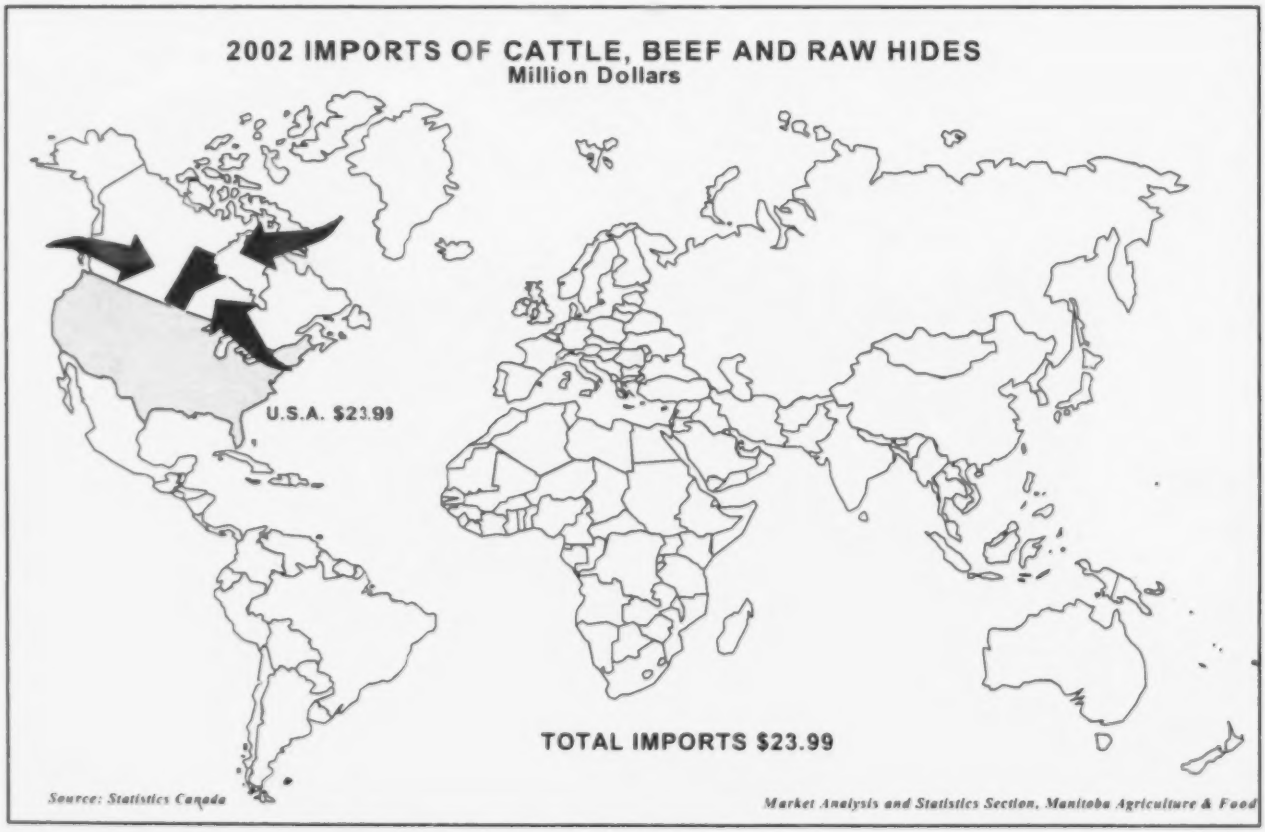
MANITOBA CATTLE & BEEF EXPORTS TO OTHER COUNTRIES, 1992 - 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 EXPORTS OF CATTLE, BEEF AND RAW HIDES
Million Dollars
U.S.A. $274.5
JAPAN $0.017
TOTAL EXPORTS $274.5
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 IMPORTS OF CATTLE, BEEF AND RAW HIDES
Million Dollars
U.S.A. $23.99
TOTAL IMPORTS $23.99
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

PIG AND PORK SECTOR

PIG AND PORK SECTOR PROFILE

Production:

Manitoba lost its cattle slaughter industry to Alberta in the 1970s. To take advantage of another industry that could utilize the feed grains produced in the province and provide new jobs in pig production, pork processing and other value-added activities, such as construction and transportation, the province turned to pigs.

Manitoba is Canada's third largest pig-producing province, after Quebec and Ontario, with about 24 percent of national production and about six percent of total North American production in 2002. Manitoba's 1,590 pig operations produced close to 6.65 million pigs in 2002 (including an inventory increase of about 0.2 million head), a rise of 4.7 percent from 2001. Pig production in the province has increased more than sevenfold over the past twenty-six years from 870,000 head in 1975. In the past four years, the average annual rate of increase was 13 percent.

Of the 1,379 Manitoba farms with more than 20 pigs in 2001, 262 or 19.0 percent produced weanlings only, 456 or 33.1 percent were farrow to finish and 661 or 47.9 percent were feeder operations. Further analysis by *Statistics Canada* showed 854 Manitoba pig farms, or 51.2 percent of the total number of operations, had sows and, of these, 487 or 57.0 percent had fewer than 100 sows. These smallest farrowing units had only 4.3 percent of the total number of sows in Manitoba. On the other end of the scale, there were 75 pig production units with more than 1,000 sows per unit. These large units averaged about 2,170 sows per unit and, in total, comprised 56.4 percent of all sows and 29.7 percent of total pigs in the province. Another 113 units had 500-999 sows, averaging 666 sows per unit, with a total of 26.1 percent of all sows and 25.0 percent of total pigs in the province. There were 56 units in the 250-500 sow category, averaging 348 sows per unit, which had 6.8 percent of all sows. Almost half of the pig farms in Manitoba had no sows. These 814 units had an average of 956 pigs per farm and 30.6 percent of the total number of pigs in Manitoba.

The quality of Manitoba pigs is among the best in Canada.

The pig industry used $415 million of feed in 2002, of which about one-third was imported. Total new and expanded barn construction in 2002 was valued at $102.7 million.

Pig Marketings:

Since July 1, 1996, pig producers have the option to market hogs to be slaughtered in the province either through brokers, such as Manitoba Pork Marketing Co-op, Inc., or directly to processing plants. Pig sales totalled 6.45 million head in 2002, of which over 2.9 million head were sold out of the province. Pig producers and brokers exported over 0.94 million hogs and 1.93 million weanlings directly to the U.S. About 0.06 million pigs were sold to Ontario and Quebec in 2002, close to the 2001 level, but well below the level in 1995 and 1996. Improved demand for hogs by local pork processors led to 3.54 million Manitoba hogs being killed in Manitoba plants in 2002, up by 5.3 percent from 2001.

Over the years, the introduction of new and different pricing grids by Canadian hog processors has meant there is no longer a defined standard or "Index 100" hog across Canada,

even though most provinces continue to use this term when quoting a base price. Hog prices were much lower than projected in spring and summer 2002 and, for the year, averaged 19 percent below the 2001 level. As a result, the value of Manitoba pigs produced decreased by 12 percent to about $760 million in 2002. Pig production was still the most valuable agricultural sector in the province by far with more than one fifth of the total value of agricultural production in 2002.

Pork Processing:

Rapidly rising pig production in the province led to Maple Leaf Pork's (MLP) new world-class, state-of-the-art $120 million hog slaughter plant being located in Brandon. The plant can kill more than two million hogs per year on a single shift with a potential capacity of five million hogs and employment of about 2,150 people. MLP began operation of the new plant on September 7, 1999, but, although the plant increased slaughter levels every year, it had not yet reached a regular one-full shift capacity of about 50,000 head per week in 2002. In March 2001, MLP purchased the J.M. Schneider (owned by Smithfield) hog slaughter and pork processing plants in Winnipeg.

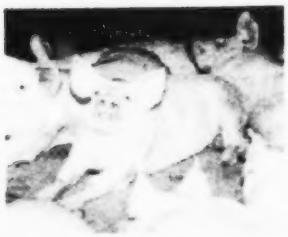
The four major and two minor federally-inspected plants and 27 provincially-inspected plants in Manitoba killed a record 4.42 million hogs in 2002, including 0.88 million head from Alberta, Saskatchewan and Ontario. The number of hogs brought into the plants from other provinces rose by 12 percent from the 2001 level. Although Manitoba pig operations potentially can produce enough pigs for all slaughter plants in the province, about 45 percent of pigs sold in 2002 were shipped to the U.S. and other provinces.

The average carcass weight of Manitoba hogs continued to increase in 2002 to over 91 kg (equivalent to about 114 kg or 250 lb of live hog). About 400 million kg of pork and pork products (carcass weight) were produced in the province in 2002.

Trade:

Manitoba is the largest pig-exporting province in Canada and the second largest pork-exporting province after Quebec. Almost $246.1 million of Manitoba pigs were shipped to 24 U.S. states in 2002 compared to $245.5 million to 27 states a year earlier. Most (93 percent) of the slaughter hog exports (including cull sows and boars) went to plants in South Dakota, Wisconsin and Iowa, while almost all weanling shipments (97 percent) went to feeding operations in Iowa, Minnesota, Nebraska and South Dakota.

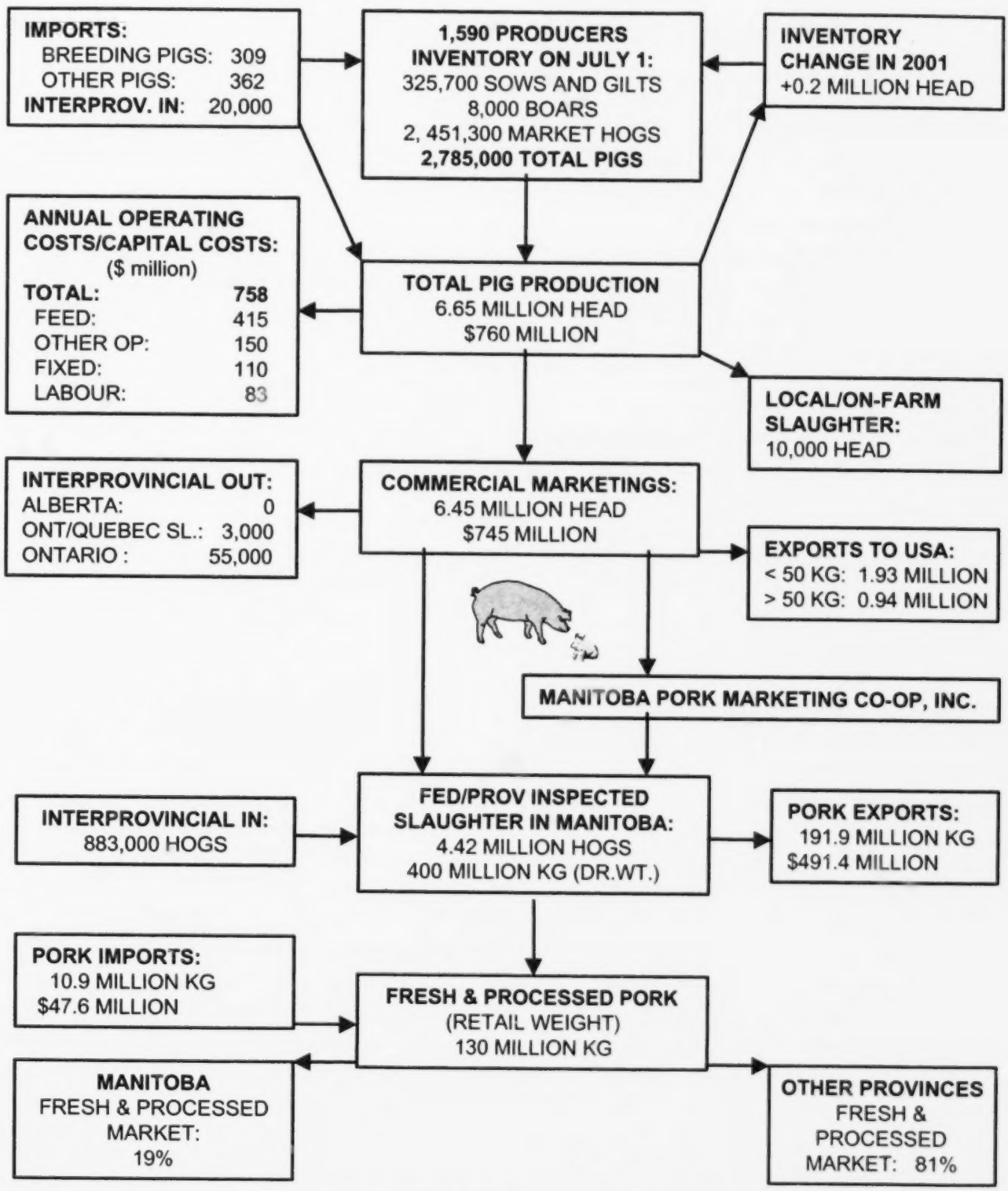
As Manitobans only consumed about eight percent of the total pork produced in the province and the equivalent of 7.6 percent of all Manitoba pigs/pork marketed in 2002, most of the pork produced in Manitoba had to be sold to other provinces or countries. It appears that about one-quarter of the pork produced by Manitoba plants in 2002 was shipped to other provinces, such as Ontario. A record 192 million kg of Manitoba pork and pork products, valued at $491.4 million, (not including pork shipped to plants in Ontario and Quebec and subsequently exported) were sold directly to 36 countries in 2002 with most exports going to the U.S. and Japan.



PIG AND PORK SECTOR

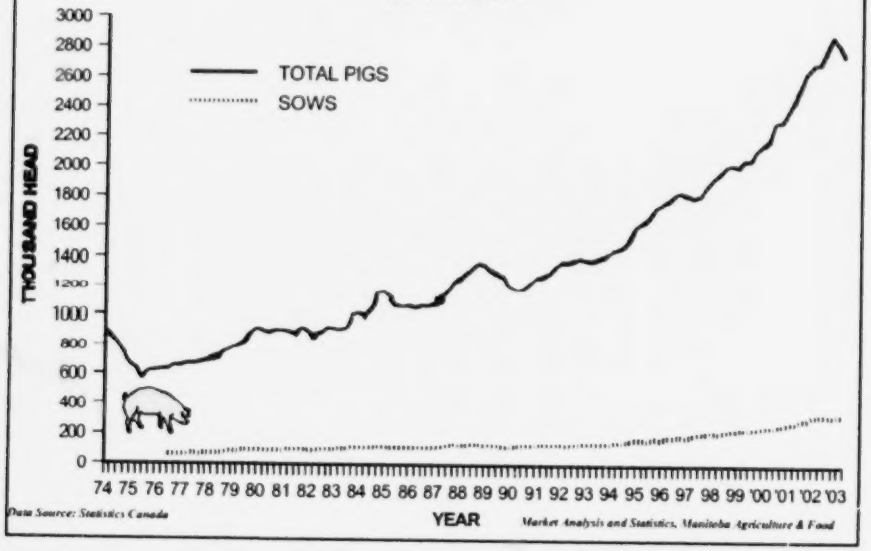
	1999 R	2000 R	2001 R	2002 P	'02 as a % of '01
PIG FARMS (incl. non-commercial):	1,750	1,700	1,668	1,590	95
(farms, 51+% of income from hogs):	815	990	895	950	106
PIGS ON FARMS ON JULY 1 ('000):					
Sows & Bred Gilts	233.7	255.8	290.8	325.7	112
% of Canada	18.3	19.4	20.6	21.7	
Boars	8.6	8.2	7.7	8.0	104
Market Hogs	1,801.7	2,031.5	2,257.5	2,451.3	109
Total Hogs	2,044.0	2,295.5	2,556.0	2,785.0	109
% of Canada	16.1	17.1	18.2	19.0	
PIG PRODUCTION ('000):	5,040	5,540	6,350	6,650	105
% of Canada	20.8	23.2	23.9	24.0	
ANNUAL PRODTN. GROWTH RATE %:	24.1	9.9	14.6	4.7	
VALUE OF PIG PRODUCTION ($mln):	476	700	860	760	88
PIG CASH RECEIPTS* ($ million):	482.3	676.1	765.7	714.5	93
% of Canada *(minus levies)	19.8	20.0	19.9	21.6	
AV. "ALL-IN" HOG PRICES ($/100kg):	138	183	190	154	81
AV. INDEX 100 HOG PRICES ($/100kg):	125	167	172	140	81
HOG SLAUGHTER:					
Inspected Slaughter in Manitoba('000)	3,073.0	3,923.9	4,147.5	4,421.3	107
% of Canada	16.4	20.3	20.2	20.1	
Mb-origin Slaughter in Canada ('000)	2,566.3	2,910.0	3,361.6	3,540.0	105
% of Canada	13.7	14.9	16.4	16.1	
PORK PRODUCTION: ('000 tonnes dr.)	275	350	375	400	107
EXPORTS:					
Pigs <50kg - ('000)	1,350.3	1,439.4	1,720.3	1,934.0	112
- ($ million)	49.1	66.4	88.7	92.1	104
Hogs 50kg+ - ('000)	934.2	902.9	908.3	944.1	104
- ($ million)	116.2	141.2	158.8	153.9	97
Pork - (million kg)	88.1	138.5	166.9	191.9	115
- ($ million)	240.0	398.9	518.6	491.4	95
IMPORTS:					
Pigs - ($ million)	0.2	0.3	0.3	0.4	133
Pork and products - ($ million)	29.2	37.4	41.4	47.6	115
CDN. PER CAPITA DISAPPEARANCE:					
Pork (carcass wt. kg)	28.2	28.6	28.9	28.1	97

PIG INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, CFIA, Statistics Canada, Manitoba hog slaughter plants

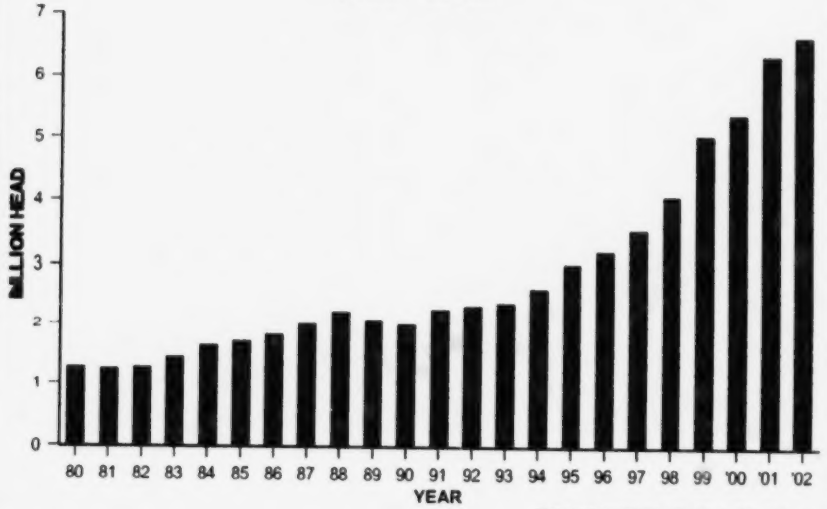
PIGS ON MANITOBA FARMS BY QUARTER
1974- 2003



Data Source: Statistics Canada

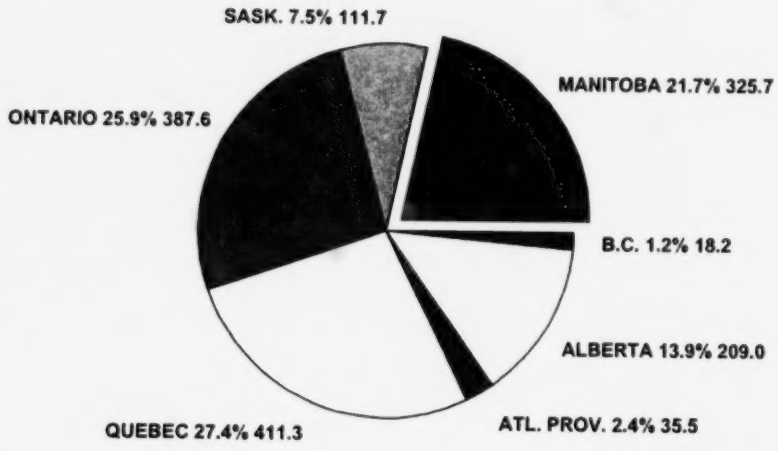
Market Analysis and Statistics, Manitoba Agriculture & Food

MANITOBA PIG PRODUCTION
1980 - 2002



Market Analysis and Statistics, Manitoba Agriculture & Food

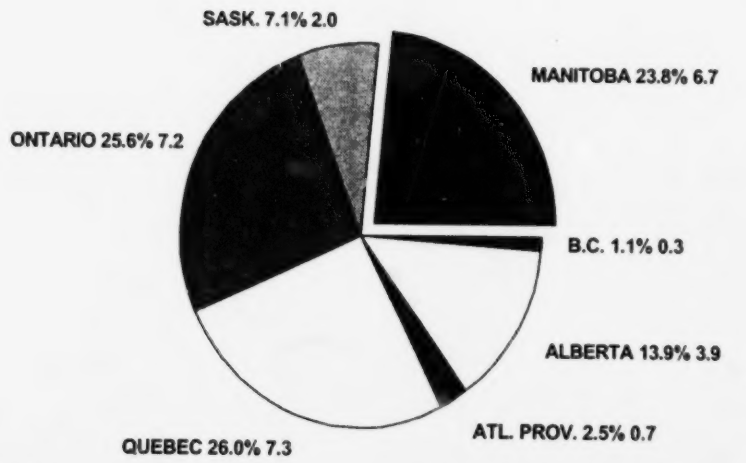
SOWS ON FARMS BY PROVINCE
JULY 1, 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

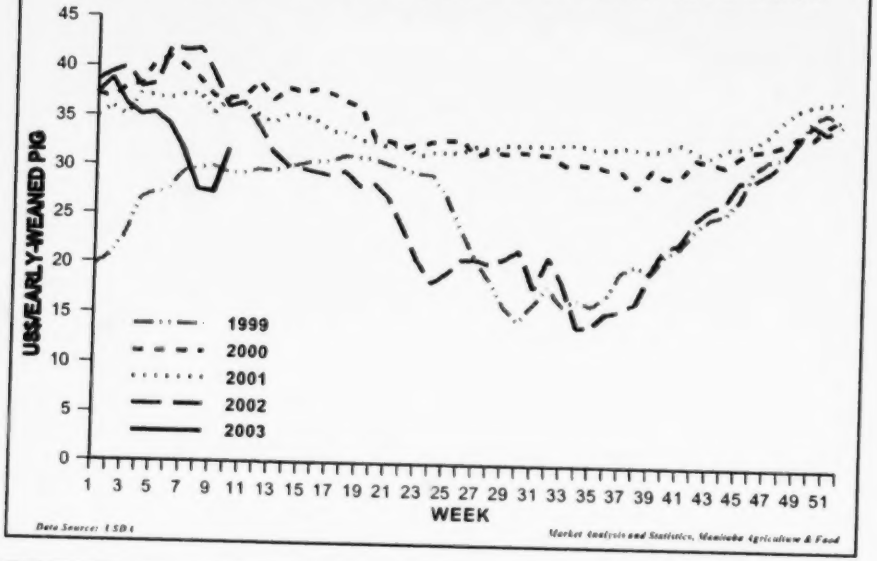
ESTIMATED PIG PRODUCTION BY PROVINCE
2002



Data Source: CFIA, Agriculture and Agri-Food Canada, MAF

Market Analysis and Statistics Section, Manitoba Agriculture and Food

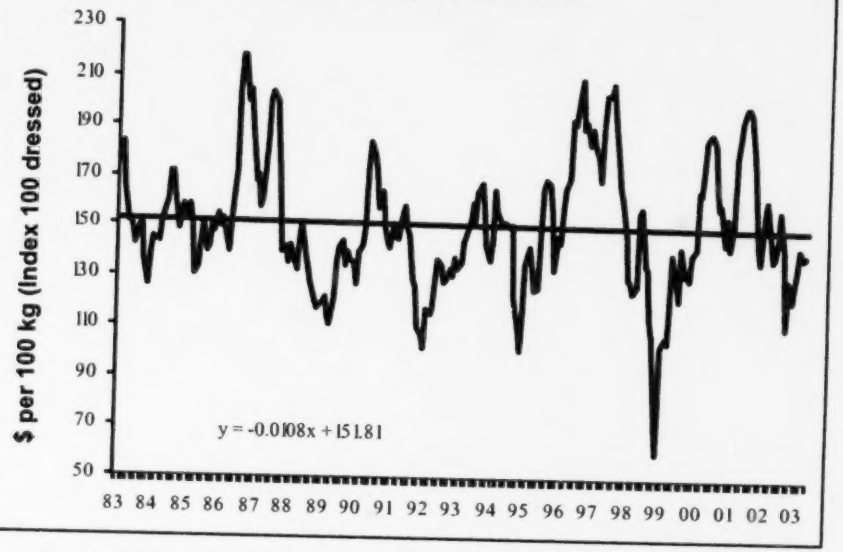
IOWA AND CENTRAL U.S. DIRECT-DELIVERED SEW PIG (10LB) PRICES, BY WEEK, 1999-2003



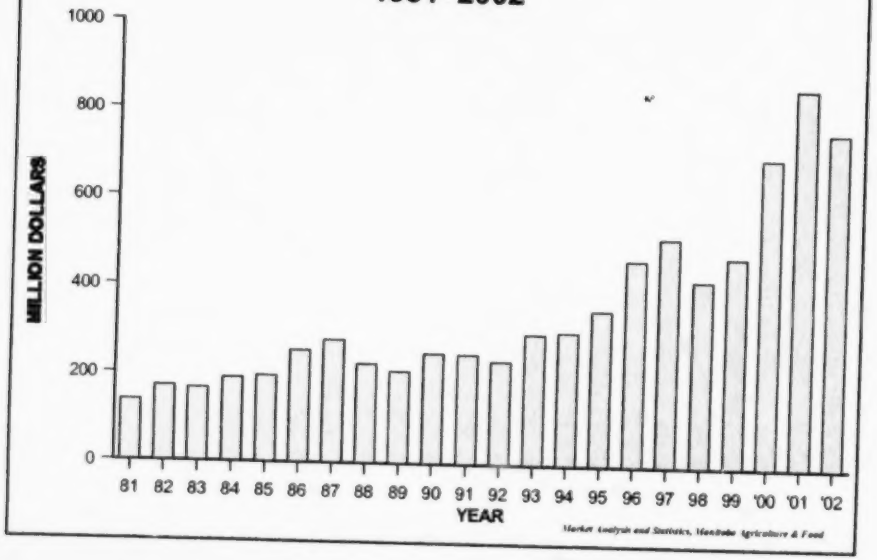
Data Source: USDA

Market Analysis and Statistics, Manitoba Agriculture & Food

MANITOBA INDEX 100 HOG PRICES, BY MONTH, 1983-2003

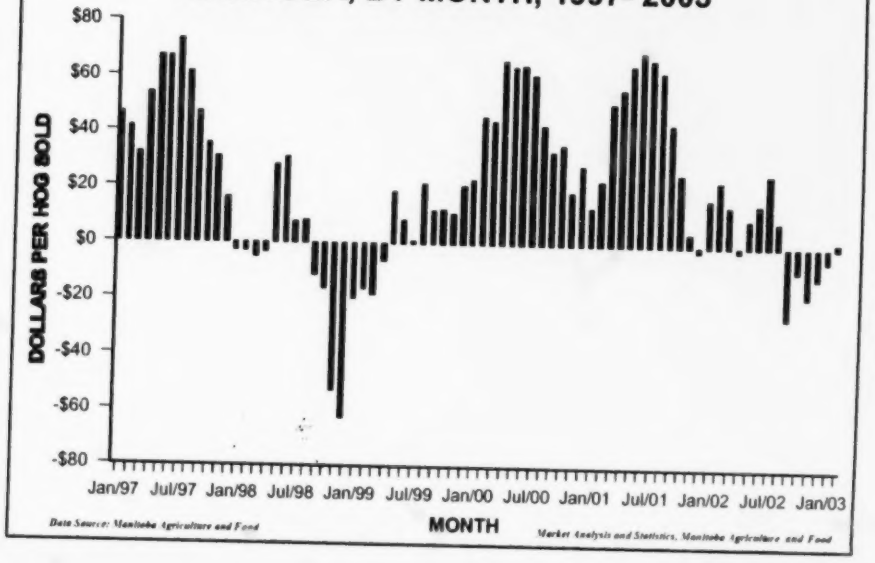


VALUE OF PIG PRODUCTION 1981- 2002



Market Analysis and Statistics, Manitoba Agriculture & Food

AVERAGE NET RETURNS PER HOG SOLD, MANITOBA, BY MONTH, 1997- 2003

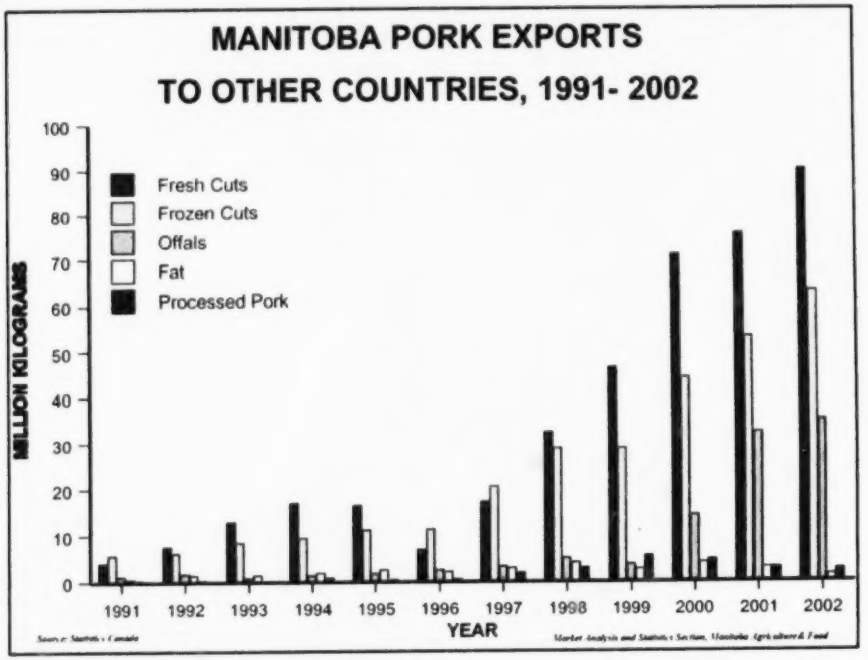


Data Source: Manitoba Agriculture and Food

Market Analysis and Statistics, Manitoba Agriculture and Food

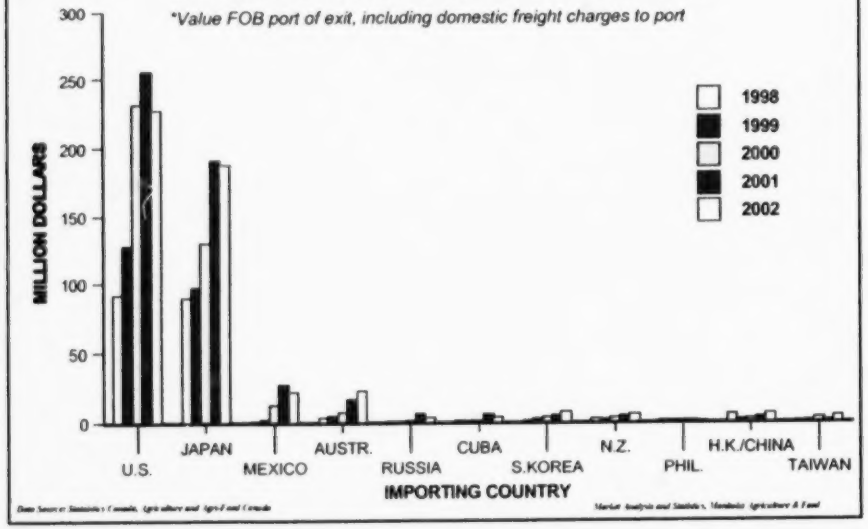
MANITOBA PIG AND PORK EXPORTS TO OTHER COUNTRIES, 1992- 2002

MANITOBA PORK EXPORTS TO OTHER COUNTRIES, 1991- 2002



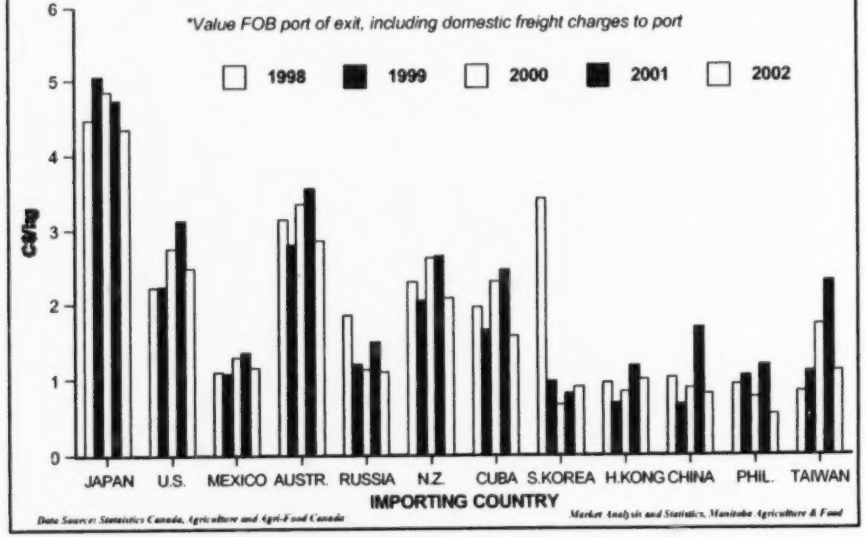
VALUE* OF MANITOBA PORK EXPORTS BY IMPORTING COUNTRY, 1998- 2002

*Value FOB port of exit, including domestic freight charges to port

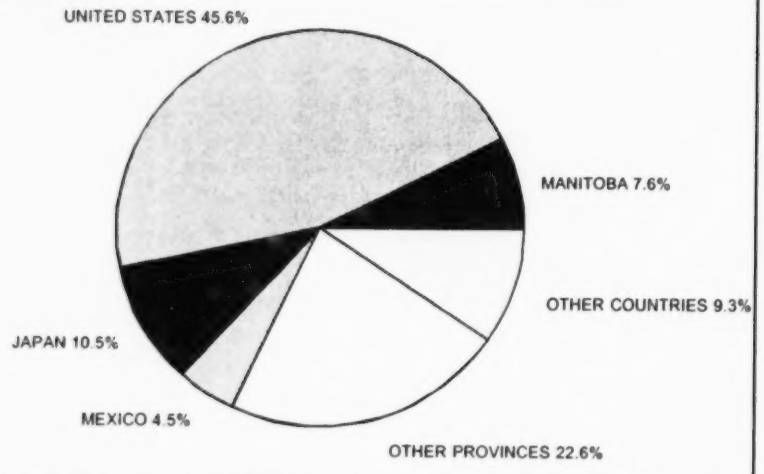


AVERAGE PRICE* OF MANITOBA PORK BY IMPORTING COUNTRY, 1998- 2002

*Value FOB port of exit, including domestic freight charges to port



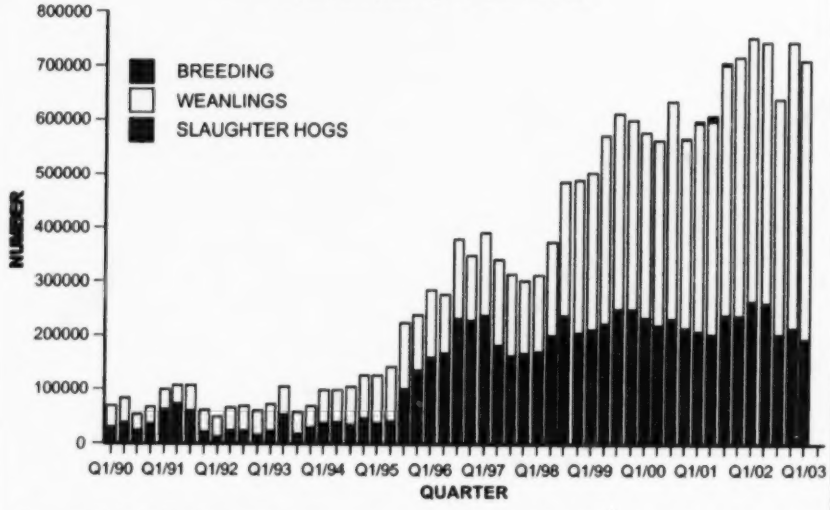
MANITOBA PIGS*/PORK: DESTINATION AND PERCENTAGE OF PIG* MARKETINGS, 2002



* Converted to carcassiweight equivalent

Market Analysis and Statistics, Manitoba Agriculture & Food

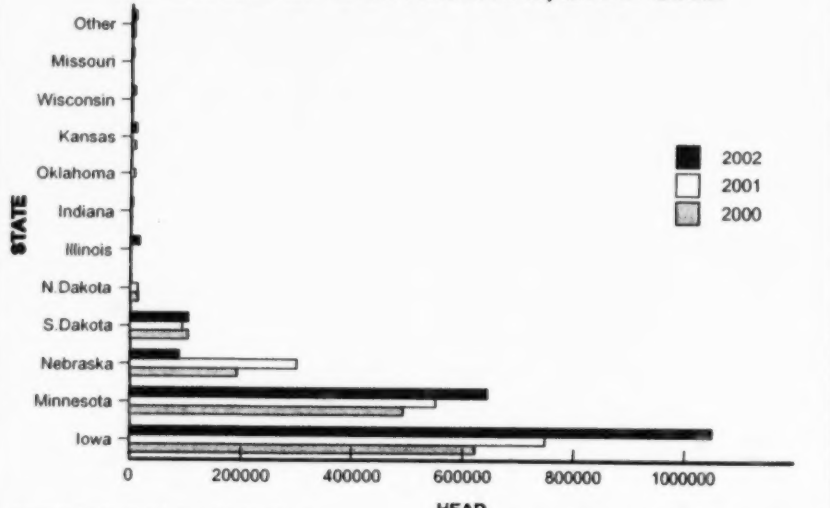
MANITOBA PIG EXPORTS TO USA BY QUARTER, 1990- 2003



Data Source: Manitoba Pork, Est, Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food

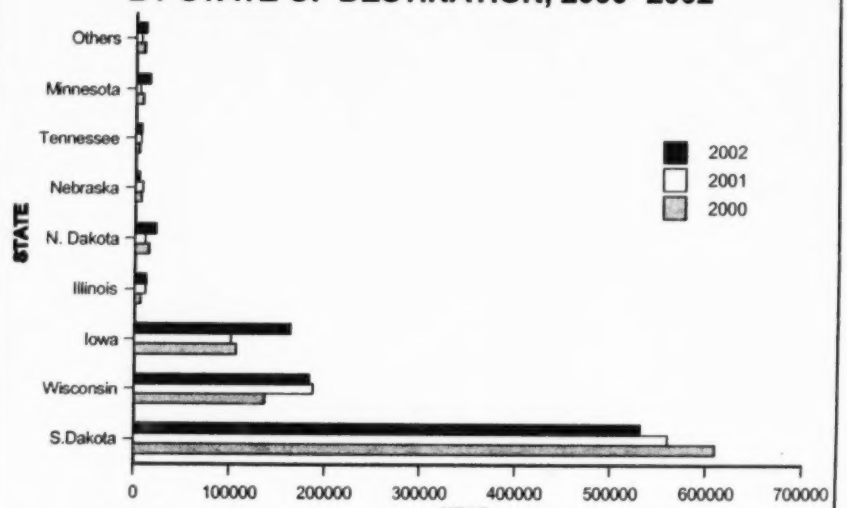
EXPORTS OF MANITOBA PIGS (< 50 KG) TO USA BY STATE OF DESTINATION, 2000- 2002



Source: Statistics Canada, Agriculture and Agri-food Canada

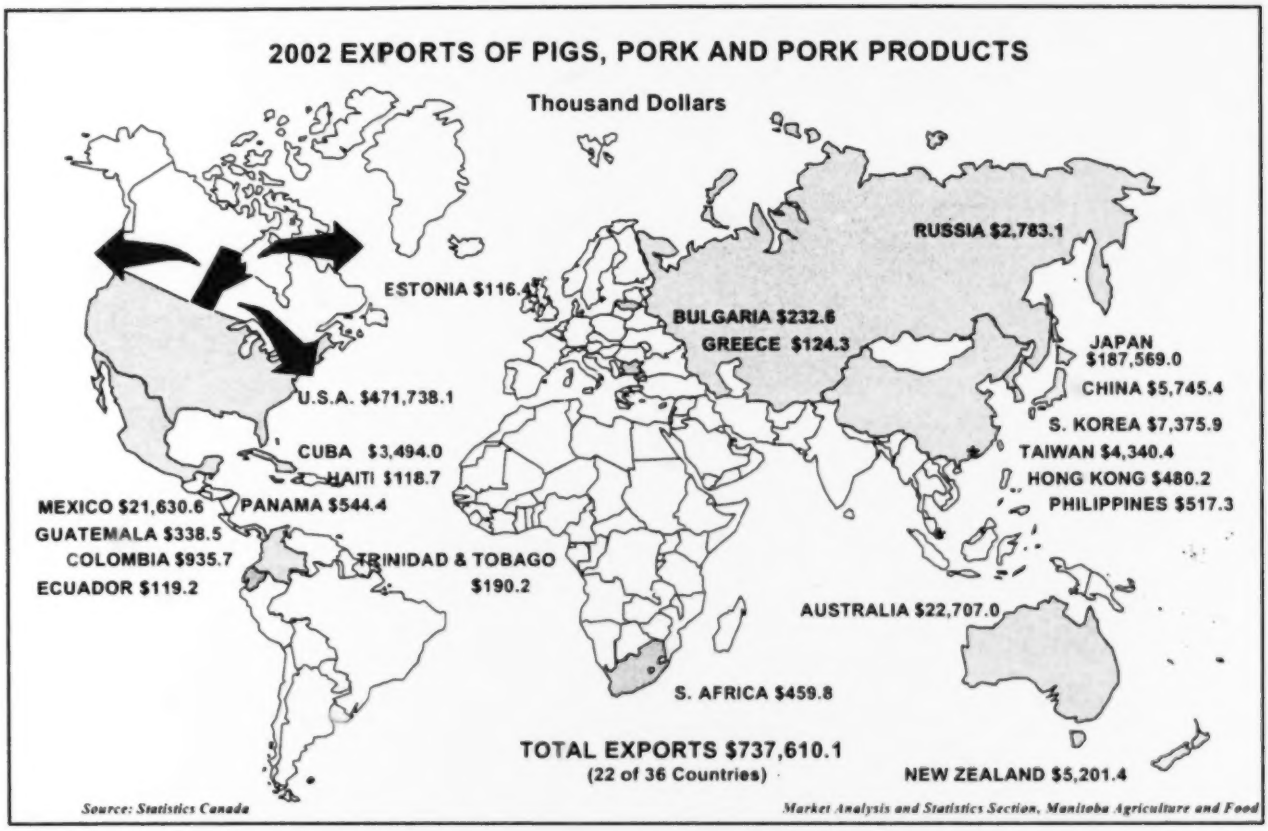
Market Analysis and Statistics Section, Manitoba Agriculture & Food

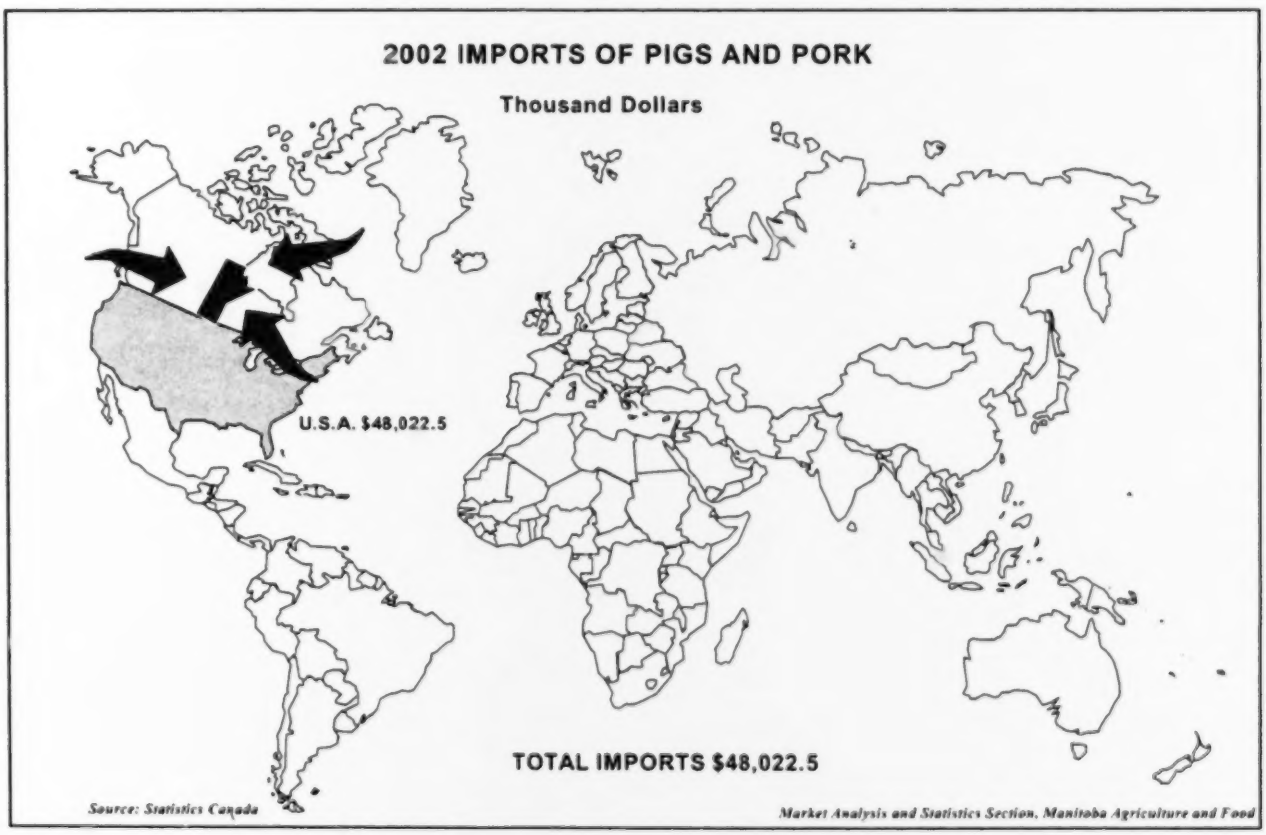
EXPORTS OF MANITOBA HOGS (50+ KG) TO USA BY STATE OF DESTINATION, 2000- 2002



Source: Statistics Canada, Agriculture and Agri-food Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 EXPORTS OF PIGS, PORK AND PORK PRODUCTS
Thousand Dollars
RUSSIA $2,783.1
ESTONIA $116.4
BULGARIA $232.6
GREECE $124.3
JAPAN $187,569.0
CHINA $5,745.4
S. KOREA $7,375.9
TAIWAN $4,340.4
HONG KONG $480.2
PHILIPPINES $517.3
U.S.A. $471,738.1
CUBA $3,494.0
HAITI $118.7
MEXICO $21,630.6
PANAMA $544.4
GUATEMALA $338.5
COLOMBIA $935.7
ECUADOR $119.2
TRINIDAD & TOBAGO $190.2
AUSTRALIA $22,707.0
S. AFRICA $459.8
TOTAL EXPORTS $737,610.1
(22 of 36 Countries)
NEW ZEALAND $5,201.4
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF PIGS AND PORK
Thousand Dollars
U.S.A. $48,022.5
TOTAL IMPORTS $48,022.5
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

SHEEP AND LAMB SECTOR

SHEEP AND LAMB SECTOR PROFILE

Production:

Although much smaller than the cattle and hog industries, Manitoba's sheep and lamb industry is the fifth largest in Canada, with 5.8 percent of the ewes, and about one percent of total North American production in 2002. Lamb production in Manitoba has been increasing fairly steadily since 1991. However, the drought across the Prairies in 2002 was responsible for culling in the dry areas and increased feeding in areas, which had access to affordable feed supplies. In 2002, the estimated 700 Manitoba farms with sheep produced about 57,000 lambs, 3 percent less than in 2001. The value of these Manitoba lambs was about $5.4 million, over 0.1 percent of the total value of agricultural production in the province. Farm cash receipts from sheep and lambs sold in 2002, including the value added to imported lambs, was $9.9 million, down by 3 percent from 2001.

Marketings and Trade:

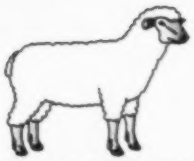
The Manitoba lamb/sheep feedlot industry is actually much larger than lamb production in the province. In 2002, about 63,000 sheep and lambs were brought into Manitoba from British Columbia, Saskatchewan, Alberta and the U.S. Most of these animals, plus local lambs, were fed for various lengths of time in the province before being shipped to Ontario, Quebec or the United States for sale and slaughter. In 2002, 59,000 sheep and lambs were sold in Ontario and Quebec, while 37,000 sheep and lambs were exported to the United States and Mexico. Mexico received mainly cull ewes.

Lamb Slaughter:

Provincially-inspected plants in Manitoba slaughtered over 2,717 lambs in 2002, either for sale to local retailers or on a custom-kill basis, and about 7,000 lambs were killed on farm for/by customers in 2002. Most of the lamb consumed in Manitoba comes from New Zealand or Alberta. The Canadian per capita disappearance of lamb and mutton was about 1.0 kg (carcass weight) in 2002.

Potential:

The Manitoba Sheep Association and their strategic partners completed the Manitoba Sheep Initiative, which was funded by the Manitoba Rural Adaptation Council (MRAC). It identified opportunities for industry development and promoted the value of sheep production as a value added marketing option for forages. Industry stakeholders were surveyed between 1999 and 2002 to determine their interest and involvement in the industry, cost of production studies were produced, a comparative advantage study of the industry was commissioned and production workshops and information resource development continued throughout 2001 to



SHEEP, LAMB, WOOL SECTOR

	1999	2000	2001[R]	2002[P]	'02 as a % of '01
NO. OF SHEEP FARMS:	555	590	733	700	95
SHEEP ON FARMS JULY 1 ('000):					
Ewes	27.6	31.9	39.1	37.2	95
% of Canada	5.5	5.7	6.3	5.8	
Rams	1.3	1.8	1.8	2.0	111
Lambs for Breeding	6.6	6.7	12.6	8.7	69
Lambs for Market	24.5	28.6	30.5	30.1	99
Total Sheep	60.0	69.0	84.0	78.0	93
% of Canada	6.1	6.2	6.7	6.2	
LAMB PRODUCTION ('000):	37.5	48.0	59.0	57.0	97
VALUE OF LAMB PRODUCTN ($'000):	3,000	4,700	5,200	5,400	104
CASH RECEIPTS ($'000):					
Sheep/Lambs	9,034	9,814	10,183	9,899	97
% of Canada	12.6	12.1	10.5	10.2	
Wool Sold	29	87	97	63	65
AV. SHEEP/LAMB PRICES ($/cwt):					
Sheep	48	51	43	39	91
Lambs A & B (under 80 lb.)	109	109	103	104	101
Lambs A & B (95-109 lb.)	92	104	97	94	97
SHEEP/LAMB SLAUGHTER:					
Inspected in Manitoba (head)	2,112	2,187	2,387	2,717	114
% of Canada	0.6	0.6	0.6	0.6	
LAMB/MUTTON PROD (tonnes dress):	48.0	50.0	55.0	61.5	112
WOOL SOLD OR USED ON FARMS:					
Weight (tonnes)	65.6	63.2	55.8	81.3	146
Value ($'000)	29	26	28	87	311
AVERAGE PRICE OF WOOL ($/kg):	0.44	0.41	0.50	1.08	216
EXPORTS OF SHEEP/LAMBS:					
To U.S.A.	37,700	27,240	29,000	37,000	128
To Eastern Canada	46,000	56,000	56,000	59,000	105
To Western Canada	4,000	2,000	2,000	0	<1
IMPORTS:					
Sheep/Lambs from W. Canada/U.S.	68,000	61,000	52,500	63,000	120
Lamb/Mutton (tonnes)	690	1,000	1,090	1,103	101
CDN PER CAPITA DISAPPEARANCE:					
Lamb and Mutton (carcass weight (kg))	0.8	0.9	1.0	1.0	100

SHEEP INDUSTRY CHART, 2002

ANNUAL OPERATING & CAPITAL COSTS:
($ million)

FEED	1.4
OTHER OPER.	2.2
FIXED	1.1
LABOUR	0.7
TOTAL COSTS	**5.4**

700 PRODUCERS
INVENTORY ON July 1/02
37,200 EWES
2,000 RAMS
38,800 LAMBS
78,000 TOTAL SHEEP

WOOL:
SOLD OR USED
81 TONNES
$87,000

BREEDING STOCK:
INTERPROV.: 1,500
MANITOBA: 12,500

LAMBS PRODUCED:
57,000 HEAD

EXPORTS:
USA: 37,000 HEAD
INTERPROVINCIAL:
EAST: 59,000 HEAD
WEST: 0 HEAD

SHEEP AND LAMBS W. CANADA/USA IN:
63,000 HEAD[E]

TOTAL SHEEP AND LAMB MARKETINGS:
106,000 HEAD

FARM GATE SALES
7,000 LAMBS[E]

CARCASS EXPORTS:
0 LAMBS

INSPECTED SLAUGHTER:
2,717 HEAD

FREEZER LAMB TRADE: 1,000 HEAD[E]
(25 TONNES)

PROCESSING:
1,717 LAMBS
(37 TONNES)

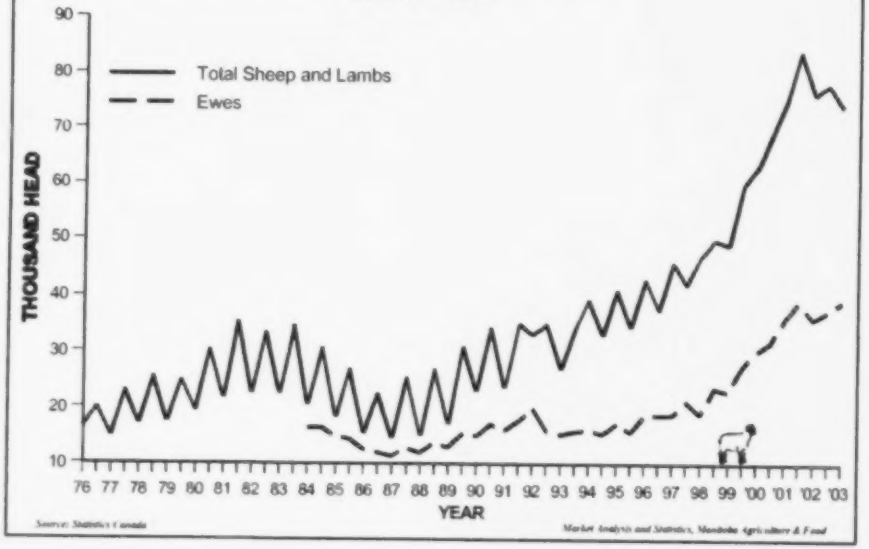
DRESSED LAMB IN:
1,103 TONNES

WHOLESALE LAMB:
1,140 TONNES

MANITOBA RETAIL AND RESTAURANT TRADE

DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada, Canada Co-operative Wool Growers Ltd., Manitoba Sheep Producers. [E] Estimated

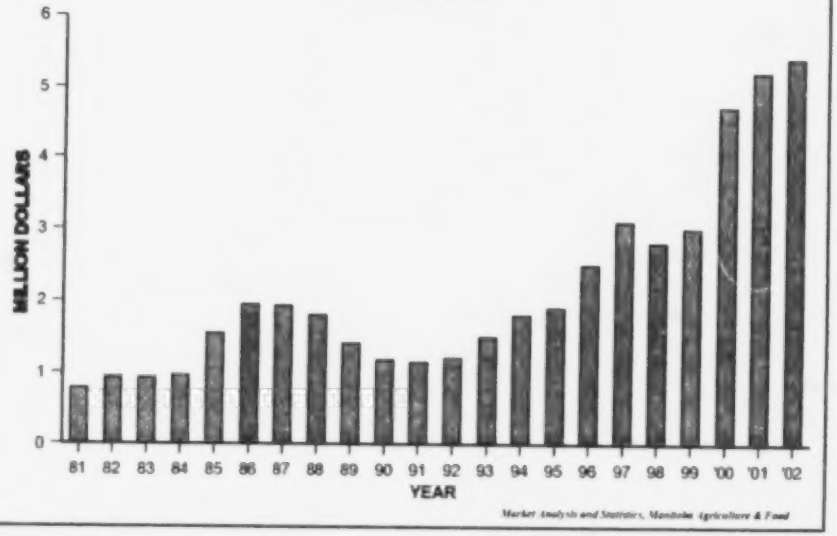
SHEEP AND LAMBS ON MANITOBA FARMS
1976- 2003



Source: Statistics Canada

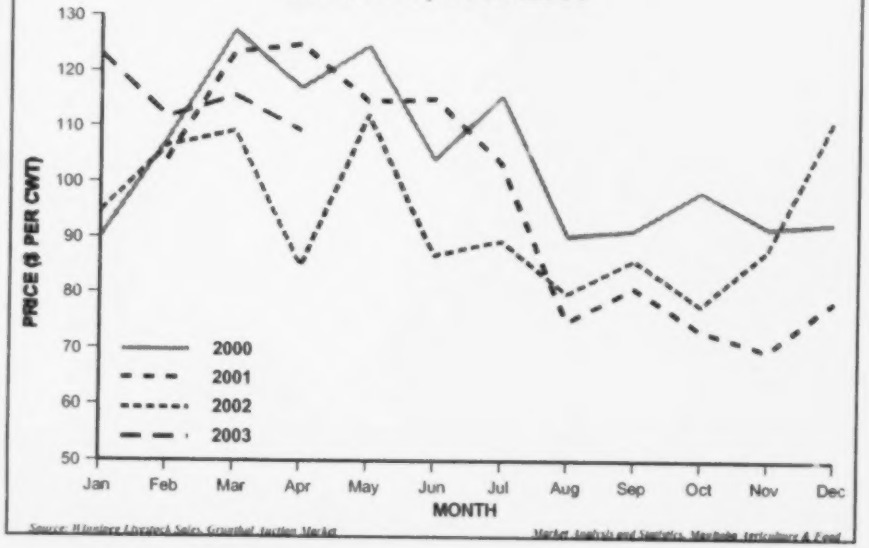
Market Analysis and Statistics, Manitoba Agriculture & Food

VALUE OF LAMB PRODUCTION
1981-2002



Market Analysis and Statistics, Manitoba Agriculture & Food

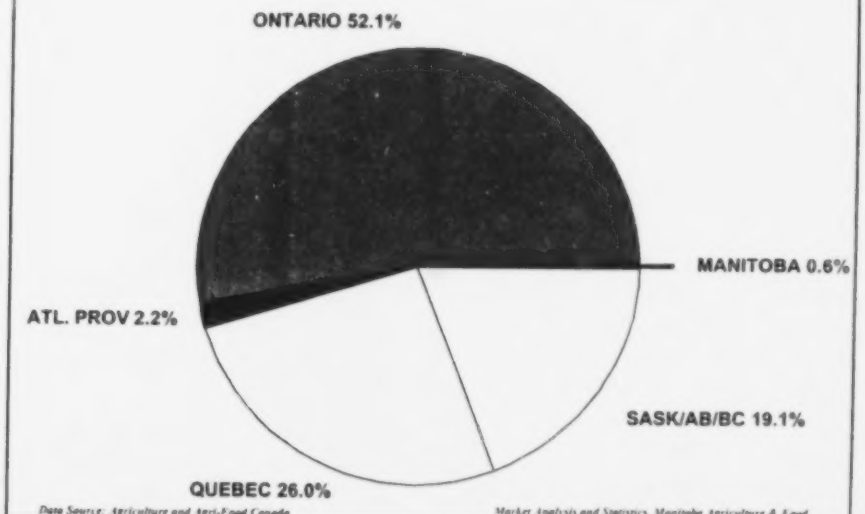
SEASONAL LAMB (95-109 LB) PRICES
Manitoba, 2000-2003



Source: Winnipeg Livestock Sales, Groenthal Auction Market

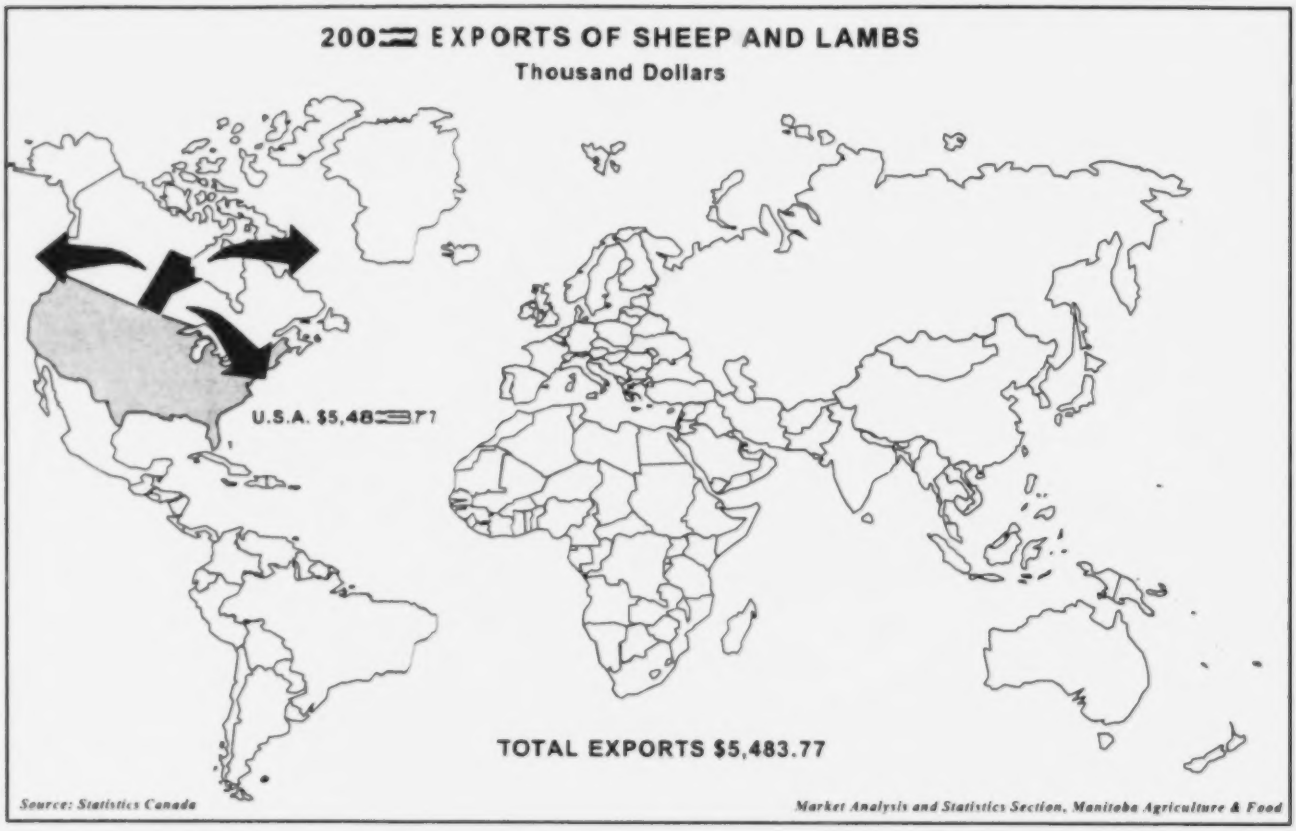
Market Analysis and Statistics, Manitoba Agriculture & Food

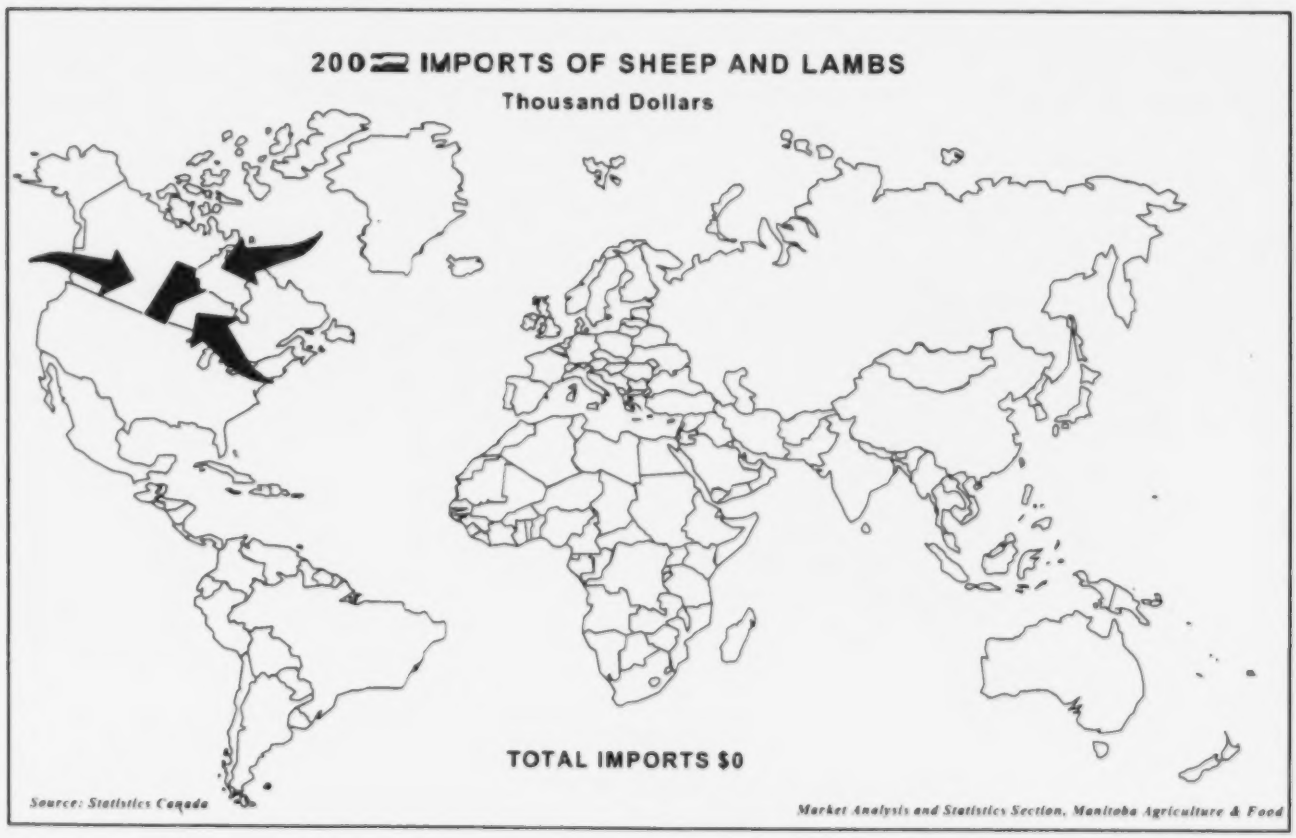
SHEEP/LAMB SLAUGHTER BY PROVINCE
2002



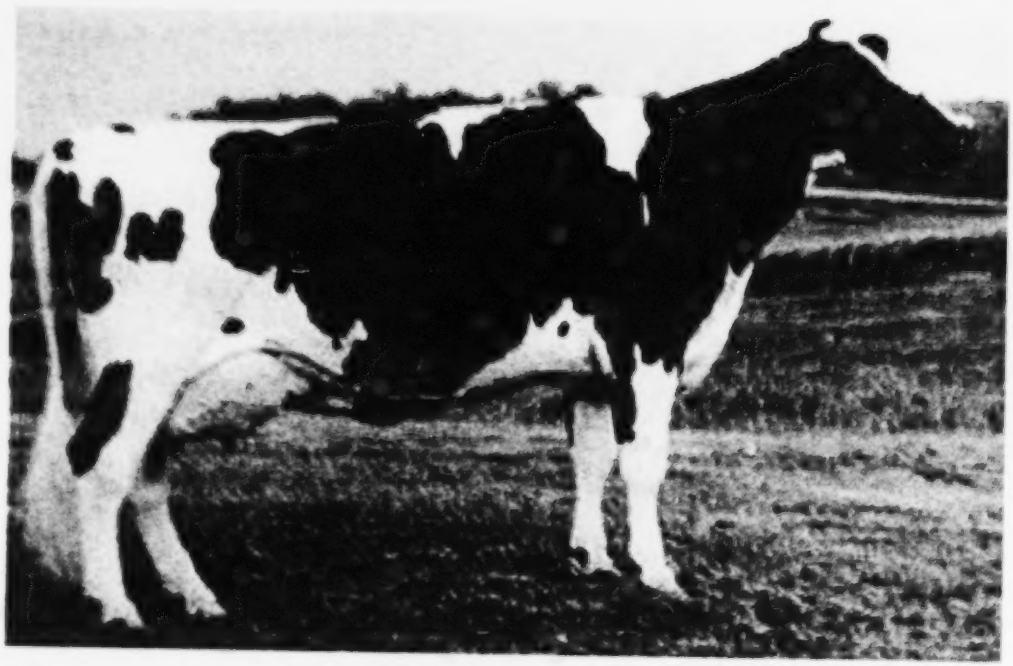
Data Source: Agriculture and Agri-Food Canada

Market Analysis and Statistics, Manitoba Agriculture & Food


200 EXPORTS OF SHEEP AND LAMBS
Thousand Dollars
U.S.A. $5,48 71
TOTAL EXPORTS $5,483.77
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food


200 IMPORTS OF SHEEP AND LAMBS
Thousand Dollars
TOTAL IMPORTS $0
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

DAIRY SECTOR



DAIRY SECTOR PROFILE

Production:

Manitoba has Canada's fifth largest dairy cow herd with four percent of the nation's dairy cows and 0.5 percent of total North American dairy cows in 2002. Most of Manitoba's dairy farms are located east and south of Winnipeg. About 38 percent of the province's dairy herds are located in the Eastern Region, 32 percent in the Central Region, 13.5 percent in the Interlake, 12.5 percent in the Southwest Region and 4 percent in the Northwest. About 94-95 percent of all dairy cows in Manitoba are Holsteins. The remainder is comprised of breeds, such as Jersey, Brown Swiss, Guernsey and Ayrshire.

According to Statistics Canada, total dairy cow numbers in Manitoba have declined fairly steadily over the past twenty-five years from 92,000 head on December 31, 1976 to 40,500 head on December 31, 2002, a decrease of three percent a year, on average. The actual number of dairy cows producing milk within the supply management (quota) system declined slightly to 34,500 head on December 31, 2002. The number of commercial milk and cream shippers declined by 5.1 percent to 593 at the end of 2002 and they sold 286.3 million litres of milk and cream, 1.1 percent less than in 2001. The productivity of Manitoba dairy cows has increased significantly since 1977, when 3.1 kl of milk and cream were sold per cow per year compared to 6.9 kl per cow (8.4 kl per cow within the supply management quota system) in 2002.

Milk and Cream Sales:

Farm cash receipts from milk and cream sold in 2002 amounted to $164.2 million, 4.3 percent of the total farm cash receipts for the province. About 40 percent of dairy cash receipts came from sales of milk for fluid use, about 60 percent were from sales for industrial milk use, 0.04 percent from industrial cream sales and the remaining 0.2 percent were supplementary payments to dairy producers.

Dairy Processing:

Manitoba's dairy processing industry comprised three fluid milk plants, ten industrial plants, two repackaging plants for cheese and milk powder and two research and development facilities with a total of more than 450 employees in 2002. Another 350 employees were involved in the distribution of dairy products.

The fluid milk plants were Lucerne Foods Ltd. and Parmalat Dairy and Bakery Inc, both in Winnipeg, and Dairyworld Foods in Brandon. Manitoba had five cheese plants located in Grunthal (Medo-Land Dairy Products), New Bothwell (Bothwell Co-operative Dairy Society Ltd.), Winkler (Armstrong Cheese Company Ltd. purchased by Saputo Food, Ltd in 2000) and Arden (Riverridge Dairy operated by the Riverside Hutterite Colony).

There were three ice cream plants, Goodlife in Neepawa, Lucerne Foods Ltd. in Winnipeg and Nicole's Desserts, Inc. in Winnipeg, which opened in 2000. There is also a creamery/powdered milk plant, Parmalat Foods Inc., located at St. Claude, a creamery, Notre Dame Creamery Ltd., at Notre Dame and a multi-product dairy, Rockwood Agribusiness. The repackaging plants were Lucerne Foods Ltd. (cheese) and Medallion Milk Co. Ltd. (milk powder) located in Winnipeg. There were also two research and development facilities licensed to process dairy products, the University of Manitoba in Winnipeg and the Food Development Centre in Portage la Prairie.

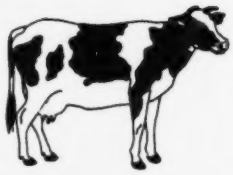
Dairy products produced in the province, which were valued at over $300 million in 2002, included fluid milk (94.7 Ml), cream (3.8 Ml), butter, ice-cream, Cheddar cheese (5.9 kt), variety cheeses (8.1 kt) and frozen yogurt. Milk production in 2002 decreased by 3.3 percent from the 2001 level, the production of Cheddar cheese fell by 21 percent, while variety cheese production increased by 16 percent.

Trade:

Milk and cream products, ice-cream, cheese, albumin, casein, rennet and whey were imported from countries such as the United States, New Zealand, Denmark, France and Italy in 2002, while Manitoba exported milk powder to South Korea and Cuba and ice-cream products to the U.S. Dairy products are used in further processed products, which are exported to other provinces or countries. About one fifth of the butter produced is exported in products such as cookies.

Potential:

Under the supply management system, the production of milk for domestic use and traditional export markets is controlled by quota allocations. From August 1, 1995, there has been a system in place (Special Classes) whereby processors, who wanted to access export markets for various types of cheese and other dairy products, are able to obtain permits to purchase milk at competitive prices to enable them to compete on world markets. Class 5D of the Special Class system is restricted to the WTO subsidized export limits.



DAIRY SECTOR

	1999[R]	2000[R]	2001[R]	2002[P]	2002 as a % of '01
NUMBER OF DAIRY FARMS- DEC 31:	683	638	625	593	95
Milk Shippers	673	631	618	587	95
Cream Shippers	10	7	7	6	86
DAIRY CATTLE ON FARMS ('000) – DEC 31:					
All Milk Cows	41.5	42.0	42.0	40.5	96
% of Canada	3.8	3.8	3.9	3.8	
Cows in supply management system	35.5	35.0	34.5	34.5	100
Dairy Replacement Heifers > 1 year	22.2	21.9	21.6	21.6	100
PRICE OF MILK (Class 1 $/hl):	62.25	61.77	64.62	71.18	110
FARM SALES - MILK/CREAM (000 kl):	288.5	294.7	289.5	286.3	99
Fluid Use	109.9	112.4	112.1	110.8	99
Industrial Use:	178.5	182.3	177.5	175.5	99
Milk	178.1	181.8	177.0	175.2	99
Cream	0.4	0.5	0.5	0.3	73
FARM CASH RECEIPTS ($ million):	155.4	156.2	159.3	164.2	103
Fluid Use	58.9	60.5	62.8	65.5	104
Industrial Use:	93.4	93.5	95.2	98.4	103
Milk	93.3	93.4	95.1	98.3	103
Cream	0.08	0.09	0.09	0.06	73
Supplementary Payments	3.1	2.2	1.3	0.3	20
DAIRY PRODUCT PROCESSING:					
Fluid Milk Plants (No.)	3	3	3	3	100
Industrial Milk Plants (No.)	14	14	13	12	92
Milk Transporters (No.)	16	14	14	14	100
Industry Employees:					
Plant Processing	490	470	470	450	96
Bulk Milk Haulers	72	67	67	67	100
Product Distribution	400	400	380	350	92
PROCESSED DAIRY PRODUCTS:					
Fluid Milk ('000 kl)	97.9	104.2	97.9	94.7	97
Cream ('000 kl)	3.8	4.2	3.3	3.8	115
Ice-Cream ('000 kl)	N/A	N/A	N/A	N/A	
Butter ('000 tonnes)	N/A	N/A	N/A	N/A	
Cheddar Cheese ('000 tonnes)	7.1	9.9	7.5	5.9	79
Other Cheese ('000 tonnes)	6.2	5.0	7.0	8.1	116
EXPORTS OF DAIRY PROD. - tonnes	1,078.8	158.1	336.3	1,830.4	544
- $ million	2.5	0.8	1.8	4.1	227
IMPORTS OF DAIRY PROD. - tonnes	5,559.2	7,748.6	7,912.6	10,156.3	128
- $ million	7.1	8.4	11.0	11.6	105

DAIRY INDUSTRY CHART, 2002

ANNUAL OPERATING/ CAPITAL COSTS: ($ million)

TOTAL:	**172**
FEED:	50
OTHER OP:	59
FIXED:	32
LABOUR:	31

PRODUCERS	**NUMBER**
MILK SHIPPERS	587
CREAM SHIPPERS	6
FULL-TIME EMPLOYEES	1,200

INVENTORY CHANGE IN 2002: -1,800 HEAD

IMPORTS OF BREEDING STOCK: 37 HEAD

DAIRY CATTLE ON DEC 31/02:

TOTAL MILK COWS	40,500 HEAD
COWS (Supl. Mge)	34,500 HEAD
HEIFERS >1YR	21,600 HEAD

EXPORTS

BREEDING:	48 HEAD
OTHER:	797 HEAD
SEMEN:	$145,647

PRODUCTION:	**MILLION LITRES**	**MILLION $**
MILK FOR FLUID PURPOSES	110.8	65.5
INDUSTRIAL: MILK	175.2	98.3
CREAM	0.3	0.06
SUPPLEMENTARY PAYMENT		0.3
TOTAL	286.3	164.2

MANITOBA MILK PRICES REVIEW COMMISSION

CANADIAN MILK SUPPLY MANAGEMENT COMMITTEE

CANADIAN DAIRY COMMISSION

MANITOBA MILK PRODUCERS

14 MILK TRANSPORTERS
34 VEHICLES

INDUSTRY EMPLOYEES:

PROCESSING PLANTS	450
BULK MILK HAULERS	67
DISTRIBUTION	350

3 FLUID MILK PLANTS:

	'000 LITRES
FLUID MILK	94,700
CREAM	3,800

10 INDUSTRIAL PLANTS:

	000 KG
BUTTER	N/A
CHEDDAR CHEESE	5,900
VARIETY CHEESE	8,100
ICE-CREAM	N/A
SKIM MILK POWDER	N/A

IMPORTS	**000 KG**
MILK AND CREAM	6.4
WHEY & OTHER PROD.	9,438.6
ICE-CREAM	72.6
CHEESE PRODUCTS	270.8
ALBUMIN/CASEIN	367.9

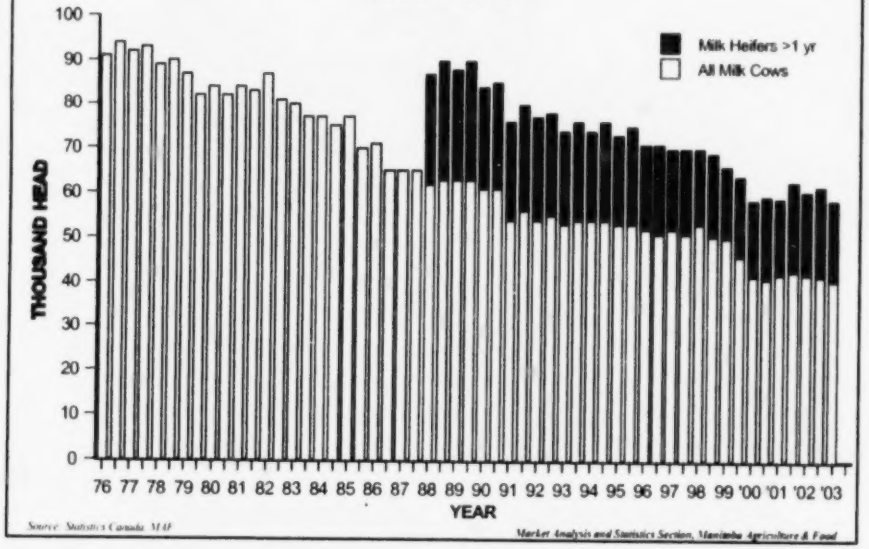
VALUE ($ MILLION) 11.6

EXPORTS	**000 KG**
SKIM MILK POWDER	1,685.8
ICE-CREAM	105.8
WHEY PROTEIN CONC.	38.7

VALUE ($ MILLION) 3.9

DATA SOURCE: Manitoba Milk Producers, Manitoba Agriculture and Food, Statistics Canada

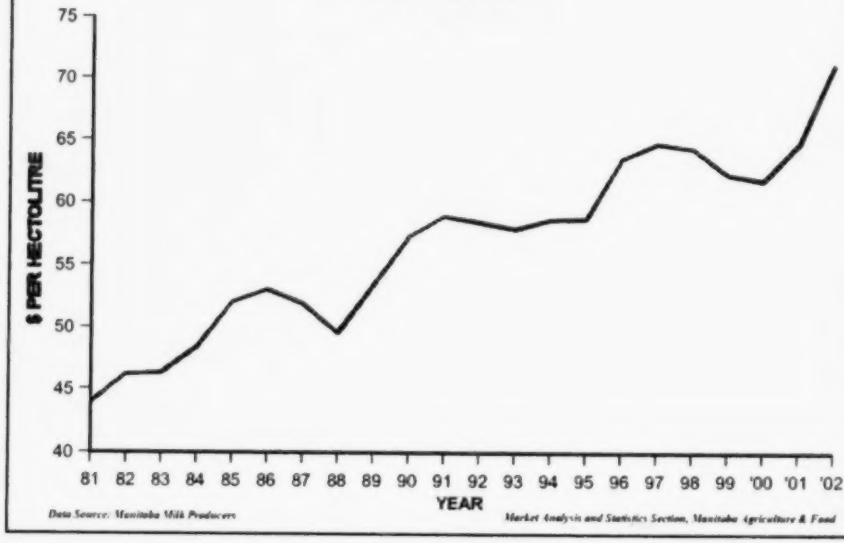
DAIRY COWS AND HEIFERS ON FARMS
1976- 2003



Source: Statistics Canada, MAF

Market Analysis and Statistics Section, Manitoba Agriculture & Food

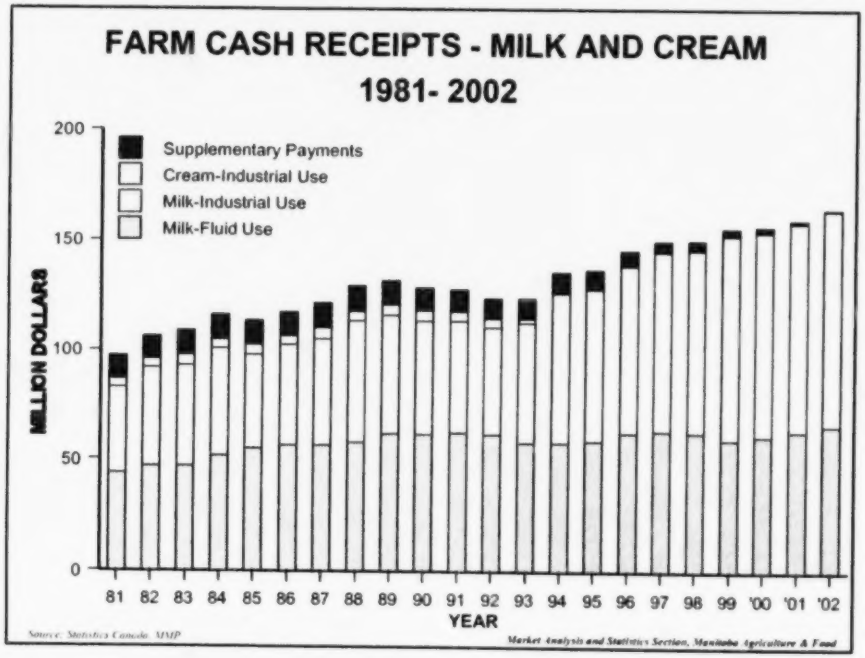
PRODUCER PRICE FOR CLASS 1 MILK
1981- 2002



Data Source: Manitoba Milk Producers

Market Analysis and Statistics Section, Manitoba Agriculture & Food

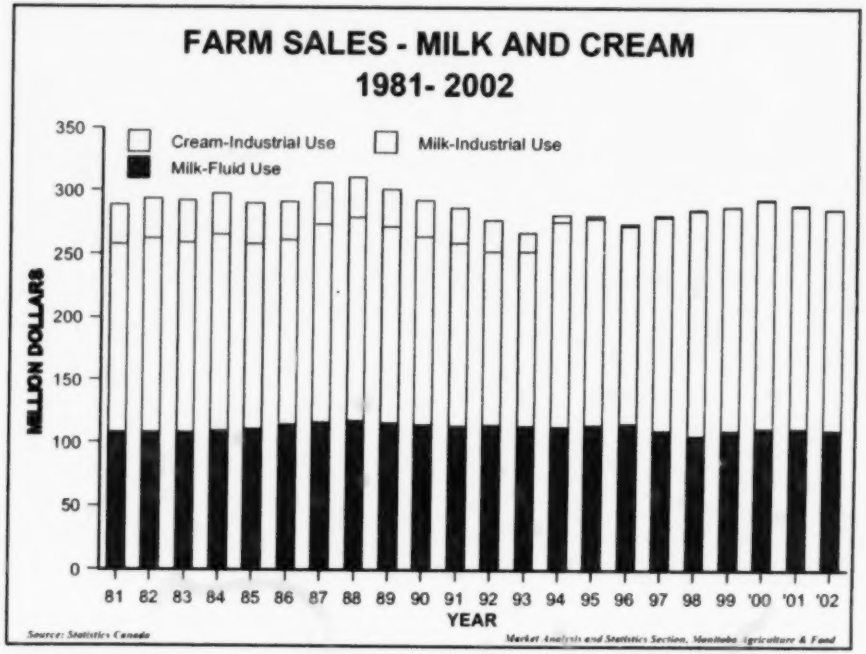
FARM CASH RECEIPTS - MILK AND CREAM
1981- 2002



Source: Statistics Canada, MMP

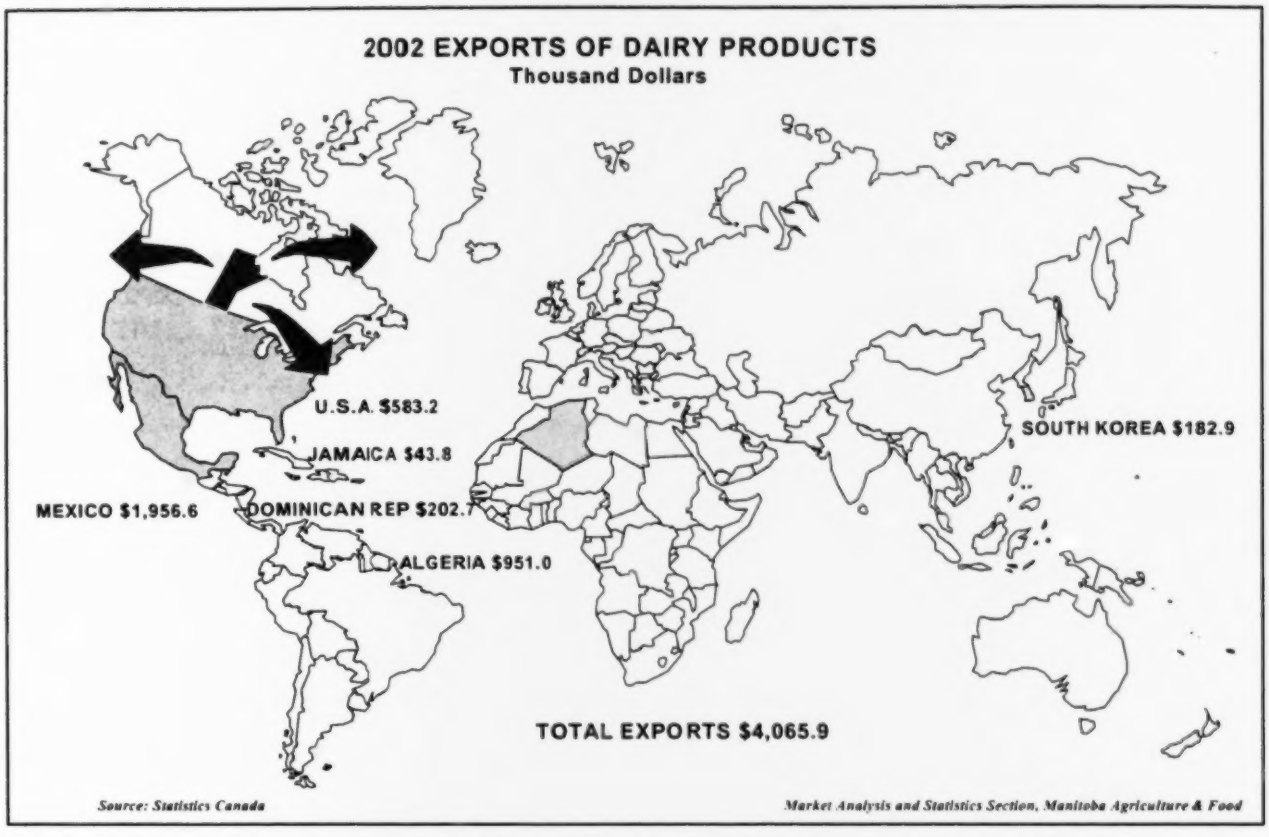
Market Analysis and Statistics Section, Manitoba Agriculture & Food

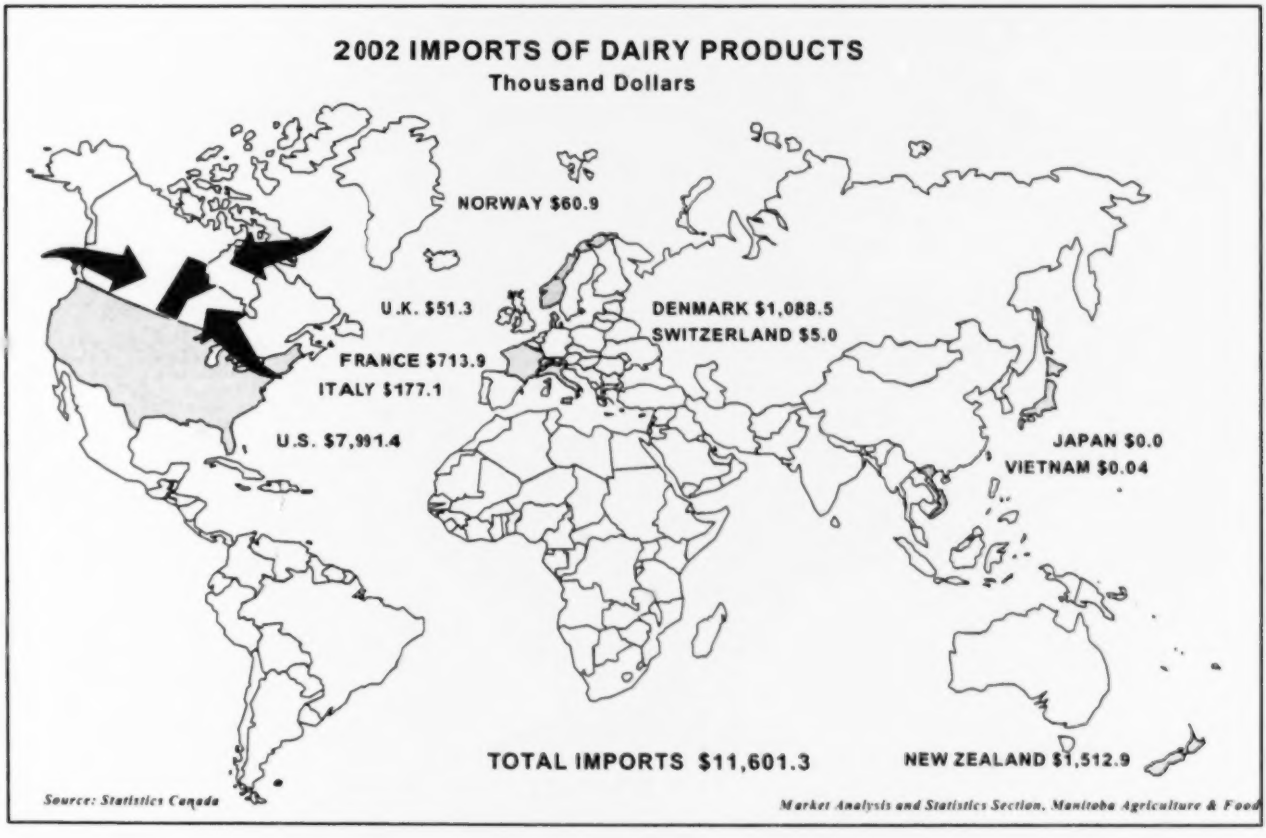
FARM SALES - MILK AND CREAM
1981- 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 EXPORTS OF DAIRY PRODUCTS
Thousand Dollars
U.S.A. $583.2
JAMAICA $43.8
MEXICO $1,956.6
DOMINICAN REP $202.7
ALGERIA $951.0
SOUTH KOREA $182.9
TOTAL EXPORTS $4,065.9
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 IMPORTS OF DAIRY PRODUCTS
Thousand Dollars
NORWAY $60.9
U.K. $51.3
DENMARK $1,088.5
SWITZERLAND $5.0
FRANCE $713.9
ITALY $177.1
U.S. $7,991.4
JAPAN $0.0
VIETNAM $0.04
TOTAL IMPORTS $11,601.3
NEW ZEALAND $1,512.9
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

HORSE SECTOR

HORSE SECTOR PROFILE

Production:

Manitoba has a suitable resource base for horse production in terms of land, water, feed and labour. As a result, Manitoba's equine industry is the third largest in Canada with about 3,800 farms and 65,000 horses in 2002, about 14 percent of the horses in Canada. Manitoba has Canada's largest herd of mares used for pregnant mares' urine (PMU) collection. For the 2002-2003 season, 248 PMU ranches had about 33,000 mares, of which 25,700 mares were in production, an increase of 4,600 production mares from the previous season.

There are also a large number of pleasure horse owners in Manitoba, who had about 12,000 horses in 2002, as well as a much smaller number of racehorse owners, who had approximately 800 horses, including 360 thoroughbreds and 120 harness racing horses in competition during the year.

Horse Sales:

The Brandon location of Ayerst Organics Ltd., the sole purchaser and processor of pregnant mares' urine in North America, has allowed Manitoba to develop a viable equine industry over the past thirty-six years. Foals are produced as part of the PMU operation and these are kept as replacement mares or sold for breeding stock, for the pleasure industry, for rodeo events or as ranch stock. About 30-40 percent of the foals are sold to finishing enterprises, fewer than half of these being marketed by public auction. Some colts fed in Manitoba feedlots are sold to Bouvry Exports Ltd. of Fort McLeod, Alberta, the rest go to plants in the United States or to Superior Exports of Owen Sound, Ontario. Very little horsemeat is consumed in Canada. Most of the horsemeat is produced in Alberta for export to the EU, Japan, Mexico, Panama, Namibia and the United States. Total Canadian horsemeat exports were valued at $69.1 million in 2002, down by 17.5 percent from 2001. Only 10 horses were processed in Manitoba provincially-inspected plants in 2002. Horse sales were estimated at $23 million in 2002.

PMU Sales:

The Manitoba PMU industry contributes about $40-60 million in farm cash receipts each year. For calendar year 2002, the farm value of pregnant mares' urine totalled about $56.7 million, an increase of 15 percent from 2001, and accounts for about 1.5 percent of total value of agricultural production in the province. The urine is used for Premarin production.

Trade:

Manitoba exported 2,393 horses to the United States in 2002, of which 49 were pure-bred stock. Horse exports decreased by 46 percent from the 2001 level. There were 722 horses, valued at $1.45 million as well as pregnant mares' urine (PMU), valued at $6.65 million, imported from the United States in 2002.

HORSE SECTOR

	1999	2000	2001[R]	2002[P]	'02 as a % of '01
NO. OF HORSE FARMS:	4,120	4,000	3,730	3,800	102
P.M.U. Farms - beginning of year	259	254	252	248	98
- end of year	254	252	248	248	100
HORSES ON FARMS:					
All P.M.U. Mares	24,985	26,898	30,000	33,000	110
P.M.U. Production Mares - Jan 1	20,364	17,827	18,267	21,100	116
P.M.U. Production Mares - Dec 31	17,827	18,267	21,100	25,700	122
Total Horses - July 1	65,000	64,000	62,800	65,000	104
% of Canada			13.6		
HORSE SALES (est. no.):	19,000	16,000	15,000	16,000	107
VALUE OF SALES ($'000):					
P.M.U. Sales	40,750	43,910	47,230	61,294	130
Horse Sales	16,000	15,000	16,000	23,000	144
HORSE PRICES ($/cwt):					
Winnipeg Auction Market:					
Under 1,000 lb	70-100	59 - 80	50-65	45-75	104
1,000 lb and over	75-115	70-105	65-95	45-75	75
Riding Horses ($/head)				900-1200	
AVERAGE EXPORT PRICE ($/head):	841	940	1,068	1,468	137
For breeding	3,200	4,190	4,057	4,105	101
For slaughter/other	836	913	1,046	1,413	135
HORSE PROCESSING (head):					
Inspected Slaughter in Manitoba	5	12	9	10	111
EXPORTS OF HORSES:					
To U.S.A./Other: Total Number	7,253	3,244	4,417	2,393	54
Pure-bred	15	27	33	49	148
Slaughter	5,784	1,918	3,481	444	13
Other	1,454	1,299	903	1,900	210
Value ($'000)	6,101	3,049	4,716	3,514	75
To Eastern Canada: Total Number	2,721	2,937	1,384	3,500	253
Slaughter	753	2,233	321	700	218
Other	1,968	704	1,063	2,800	263
To Western Canada (est):	9,000	10,000	9,000	10,800	120
IMPORTS:					
Horses: Number	50	117	233	722	310
Value ($'000)	551	884	1,164	1,447	124
PMU from U.S.A.: Value ($million)	5.07	5.34	5.74	6.65	116

HORSE INDUSTRY CHART, 2002

EQUINE RANCH (PMU) ANNUAL OPERATING & CAPITAL COSTS:
($ million)

FEED	10.6
OTHER OP:	16.0
FIXED:	13.1
LABOUR:	5.2
TOTAL:	**44.9**

HORSE FARMS: 3,800
(EQUINE RANCH: 248)
INVENTORY :
TOTAL PMU MARES -
JAN 1/ 02: 33,000
PMU MARES IN PRODUCTION -
DEC 31/02: 25,700
ALL HORSES JULY1/ 02: 65,000

PUREBRED OUT:
USA/OTHER: 49 HEA

IMPORTS:
USA: 722 HEAD

PLEASURE AND RACE HORSE INDUSTRIES

VALUE OF PREGNAI MARE'S URINE FOR PREMARIN PROD:
$56.7 MILLION

EQUINE RANCH HORSE SALES:
16,000 HEAD

EXPORTS OF FINISHED HORSES:

USA:	444 HEAD
ALBERTA[E]:	7,800 HEAD
ONTARIO[E]:	700 HEAD

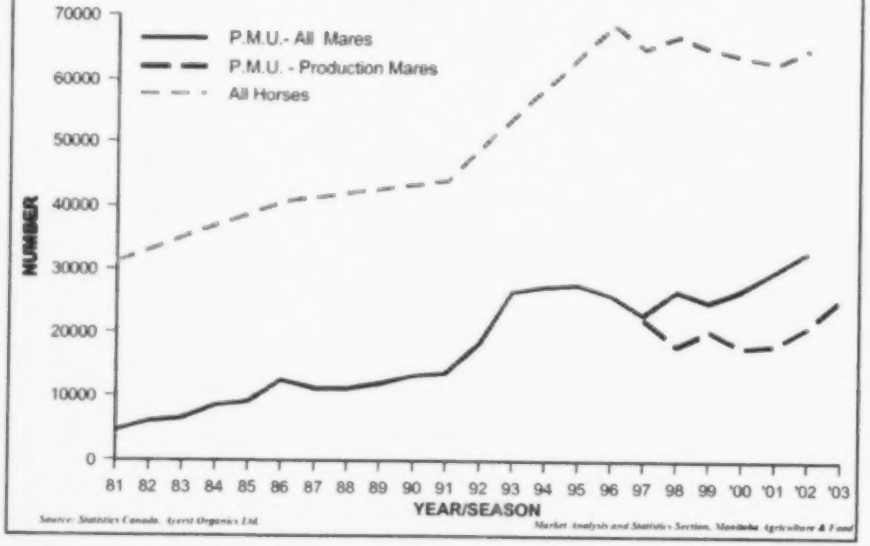
PROCESSED IN MANITOBA:
10 HEAD

EXPORTS OF OTHER HORSES:

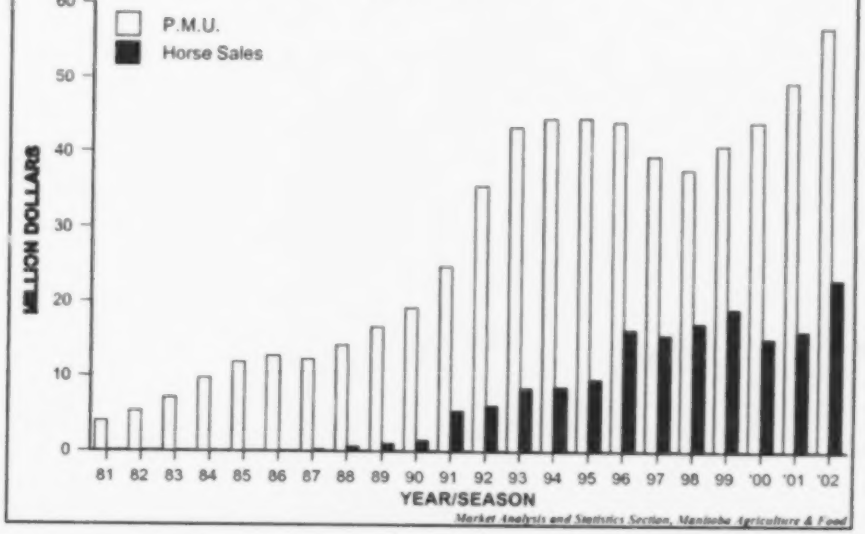
USA/OTHER:	1,900 HEAD
ONTARIO:	2,000 HEAD
WESTERN CANADA:	3,000 HEAD

DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada, Ayerst Organics
[E] Estimated

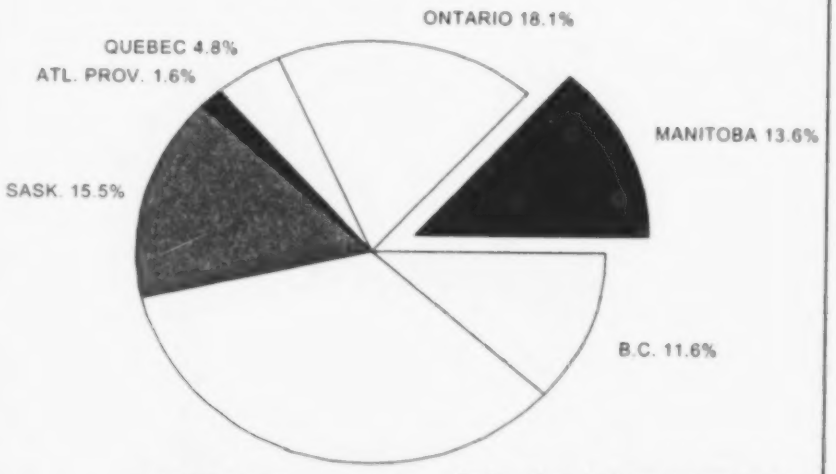
HORSES ON FARMS
1981- 2003



VALUE OF P.M.U./HORSE PRODUCTION
1981- 2002

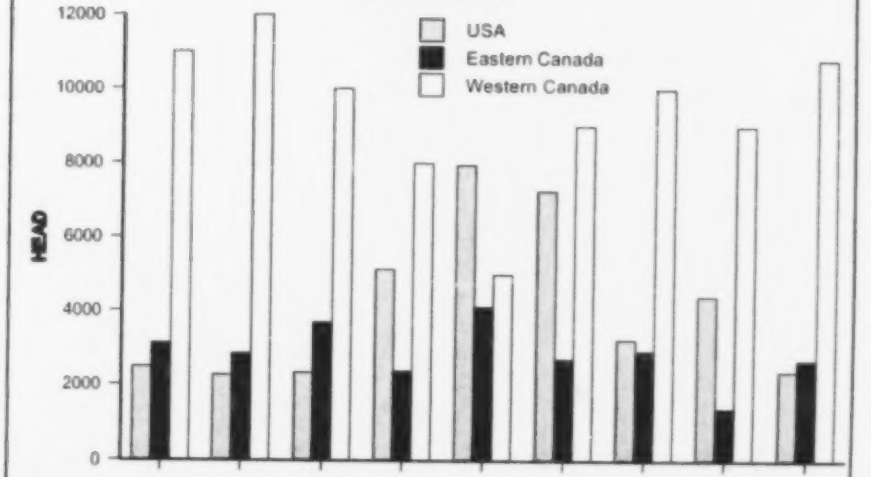


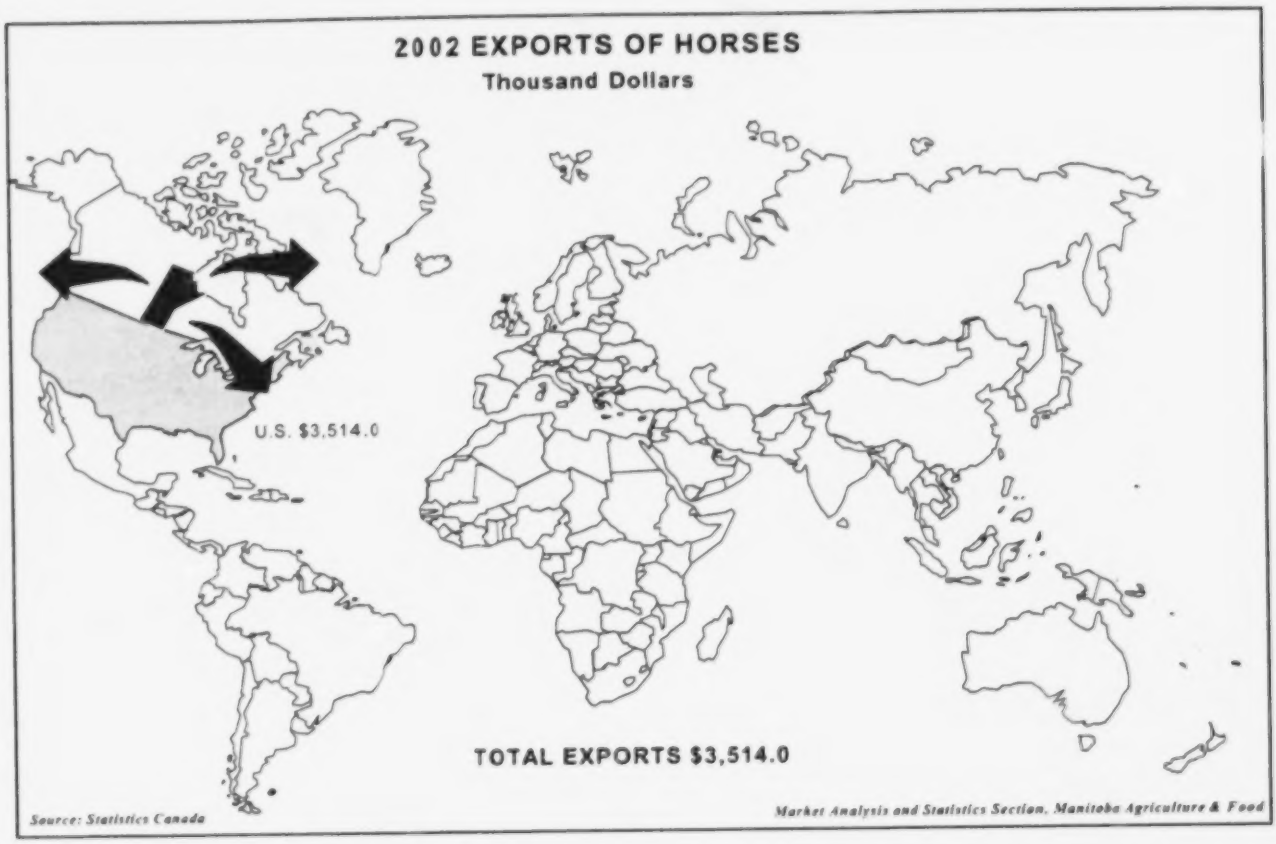
NUMBER OF HORSES ON FARMS
BY PROVINCE, 2001

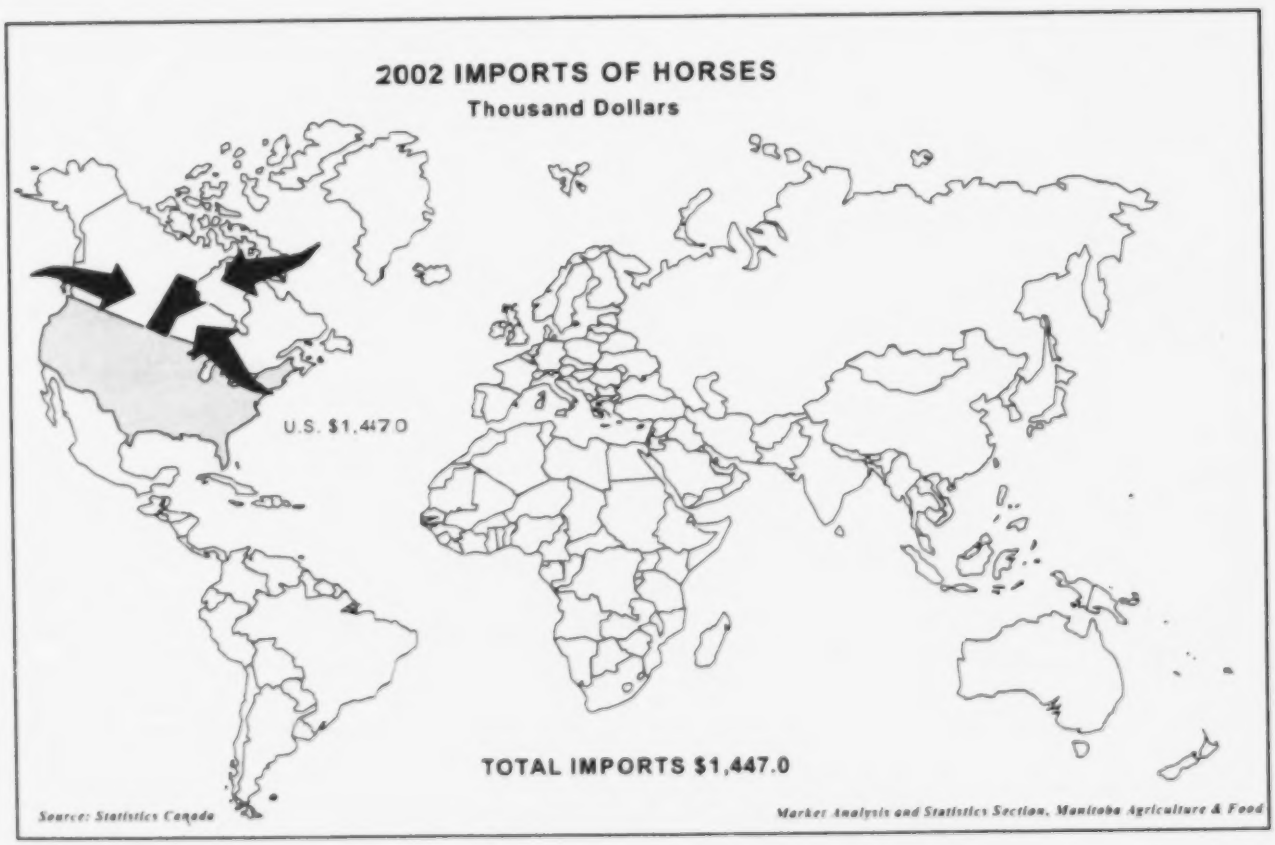


Data Source: Census of Agriculture, 2001- Statistics Canada
Market Analysis and Statistics, Manitoba Agriculture & Food

MANITOBA HORSE EXPORTS
1994- 2002




2002 EXPORTS OF HORSES
Thousand Dollars
U.S. $3,514.0
TOTAL EXPORTS $3,514.0
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 IMPORTS OF HORSES
Thousand Dollars
U.S. $1,447.0
TOTAL IMPORTS $1,447.0
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

BISON SECTOR

BISON SECTOR PROFILE

Production:

Bison are indigenous to the Prairies and adapt well to most geographic areas of Manitoba. Although not as large as the cattle and hog industries, Manitoba's bison industry is the third largest in Canada, producing about ten percent of national bison production annually and approximately three percent of total North American production in 2002. The number of bison in Manitoba increased by an average of 19 percent annually over the four years, 1997-2000, but declined in 2001 mainly due to weaker North American bison meat markets. In 2002, Manitoba bison numbers rose as drought in parts of Saskatchewan and Alberta resulted in increased imports of bison from the two provinces. Producers also retained more bison on farms due to lower prices and fewer markets.

In 2002, Manitoba's 180 operators had a breeding herd of about 10,000 head, which produced an estimated 7,800 calves. There were 4,000 feeder bison on grass and/or being finished on a grain/roughage ration in 2002, a small number of which were originally brought in from Western Canada. The total number of bison on Manitoba farms in 2002 was about 15,000 head, an increase of 12 percent from the 2001 level.

Due to reduced sales and lower prices, the value of bison produced in 2002 declined to $2.5 million, 0.07 percent of the total value of agricultural production in the province.

Marketings and Exports:

In 2002, about 1,550 bison were brought into Manitoba from Saskatchewan and Alberta. They included breeding stock, feeders and calves. There were about 2,175 feeder bulls finished in the province in 2002, most of which were exported for slaughter at the North American Bison Co-operative (NABC) plant, North Dakota, for prices averaging C$1.10/lb (carcass weight). Sales of stock to Alberta and Saskatchewan were much lower in 2002 due to the drought and low prices.

Bison Slaughter:

As the NABC was having difficulty marketing meat in 2002, there were 543 bison slaughtered in 14 Manitoba provincially-inspected plants and one small federally-inspected plant, almost triple the 2001 level. About 400 bison were custom-killed on farms. Much of the bison meat sold in Manitoba is to restaurants. Inspected meat and brand-name bison meat products can also be obtained from grocers and various bison ranches across the province. Suppliers of bison meat and products are listed on the Manitoba Bison Association website at www.manitoba-bison.com/.

Potential:

Manitoba has the potential to increase bison production and processing to supply international and domestic markets.

BISON SECTOR

	1999	2000	2001[R]	2002[P]	'02 as a % of '01
NO. OF BISON FARMS:	180	180	180	180	100
BISON ON FARMS JULY 1 (No.):					
Breeding Herd & Replacements	6,000	7,900	8,900	10,000	112
Bison On Feed/Grass	2,000	2,500	2,500	4,000	160
Other	3,000	3,600	2,000	1,000	50
Total Bison	11,000	14,000	13,400	15,000	112
% of Canada	12.5	11.0	9.3	9.3	100
CALF PRODUCTION (No.):	4,700	6,300	7,000	7,800	111
VALUE OF BISON PRODUCT'N ($'000):	12,000	14,000	6,000	2,500	42
EST. BISON PRICES ($/head):					
Bred Cow	5,500	3,750	1,950	400	21
Breeding Bull (2+ yr)	8,750	8,750	3,000	1,500	50
Female Calf	3,000	1,800	900	300	33
Bull Calf	975	912	500	250	50
Slaughter Bull *(C$/lb carcass)	3.32	3.31	3.45	1.10	32
BISON SLAUGHTER (head):					
Inspected Slaughter in Manitoba	55	79	190	543	286
% of Canada	N/A	N/A	N/A	N/A	
Killed on farms for meat (est.)	200	200	350	400	114
EXPORTS OF BISON (head):					
To United States - breeding	160	100	0	0	0
- slaughter number	1,605	1,246	1,088	1,232	113
- slaughter value ($'000)	3,312.7	2,645.2	2,065.8	1,550.3	75
To Eastern Canada	0	0	0	0	0
To Western Canada	300	500	1,000	200	20
IMPORTS OF BISON (head):					
From United States	125	50	0	0	0
From Western Canada	300	250	100	1,550	1,550
From Eastern Canada	76	10	0	0	0
PER CAPITA DISAPPEARANCE:					
Bison meat (carcass weight (kg))	0.05	0.05	0.11	0.2	182

BISON INDUSTRY CHART, 2002

ANNUAL OPERATING & CAPITAL COSTS:
($ million)

FEED:	2.6
OTHER OP:	3.6
FIXED:	4.3
LABOUR:	0.7
TOTAL:	**11.2**

180 PRODUCERS
INVENTORY ON JULY 1/02:
BREEDING HERD: 10,000
TOTAL BISON: 15,000

BREEDING STOCK IN:
USA: 0 HEAD
INTERPROV: 750 HEAD

BREED.STOCK OUT:
USA: 0 HEAD
W. CAN: 0 HEAD

INTERPROVINCIAL IN:
CALVES 50 HEAD

CALVES PRODUCED:
7,800 HEAD

EXPORTS:
USA: 0 HEAD
INTERPROVINCIAL:
EAST: 0 HEAD
WEST: 200 HEAD

INTERPROVINCIAL IN:
FEEDER BULLS: 750 HEAD

BISON ON FEED/GRASS
4,000 HEAD

BISON MARKETINGS
2,375 HEAD

KILLED ON FARMS FOR MEAT:
400 HEAD

FINISHED BULLS FOR SLAUGHTER: 2,175 HEAD

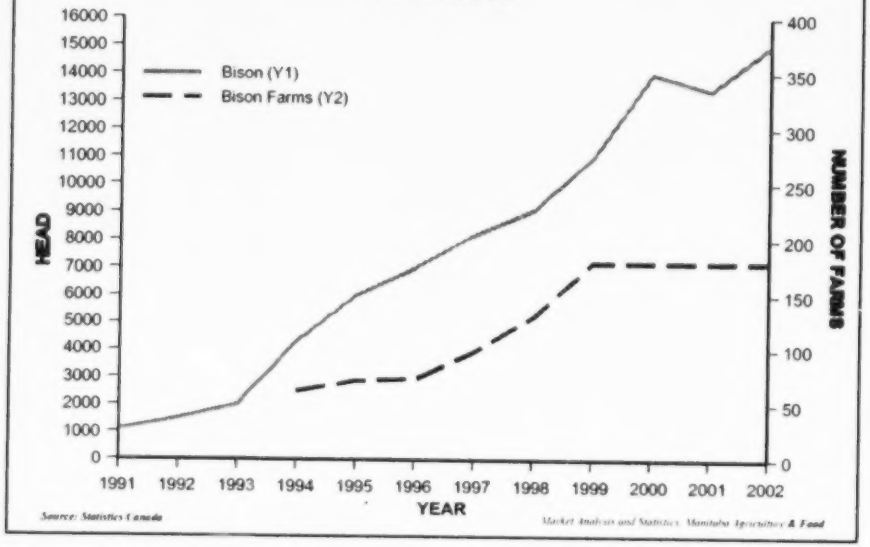
EXPORTS TO USA:
1,232 HEAD
$1.6 MILLION

INSPECTED SLAUGHTER:
543 HEAD

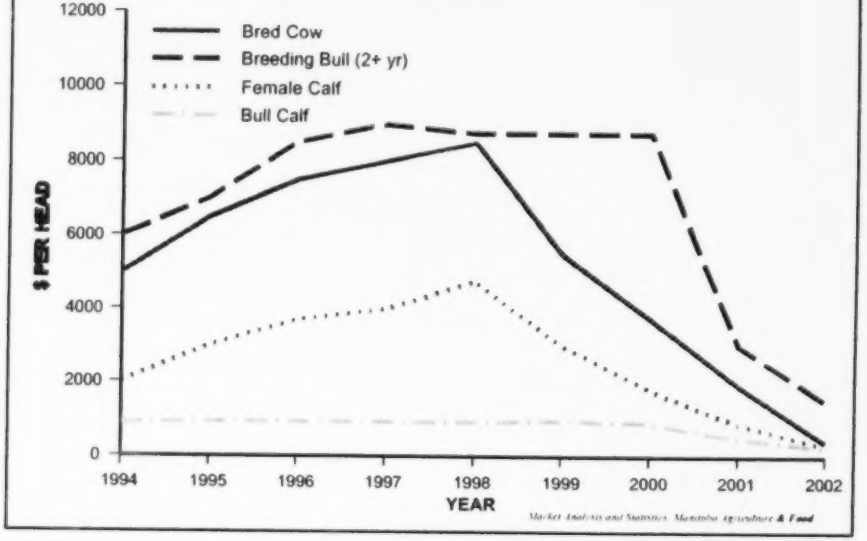
MANITOBA RETAIL AND RESTAURANT TRADE

DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada,

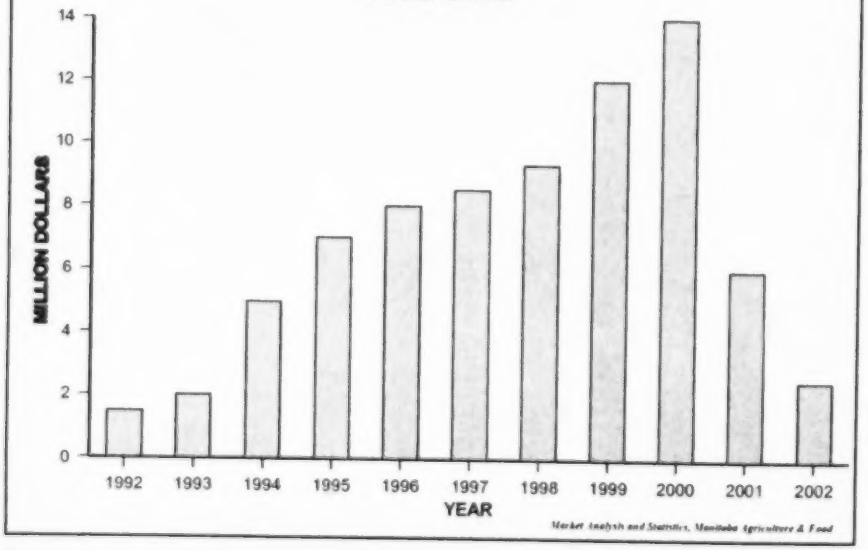
BISON ON FARMS
1991-2002



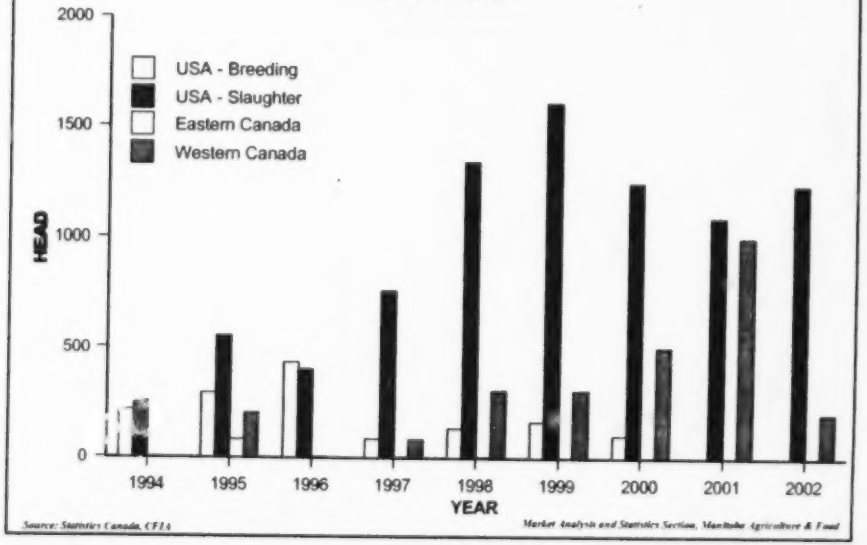
BISON PRICES
1994-2002

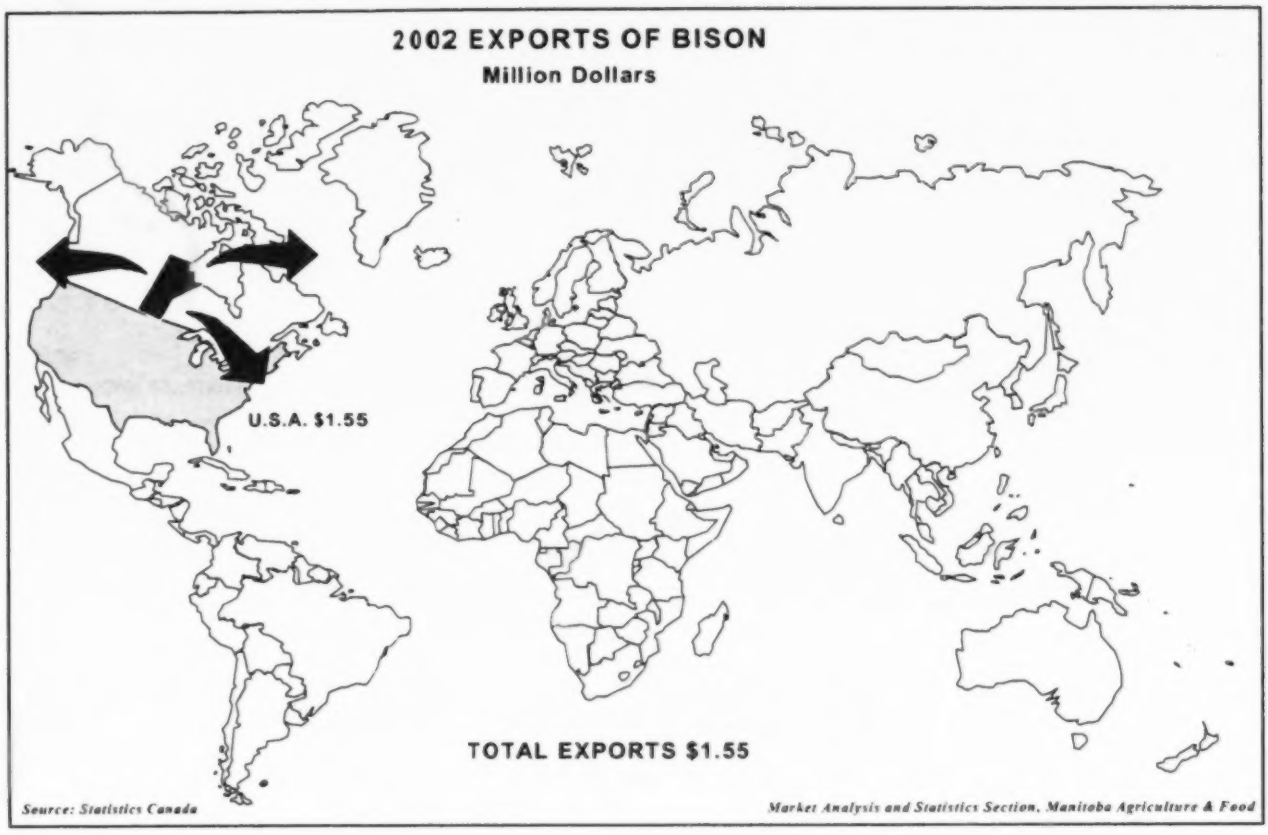


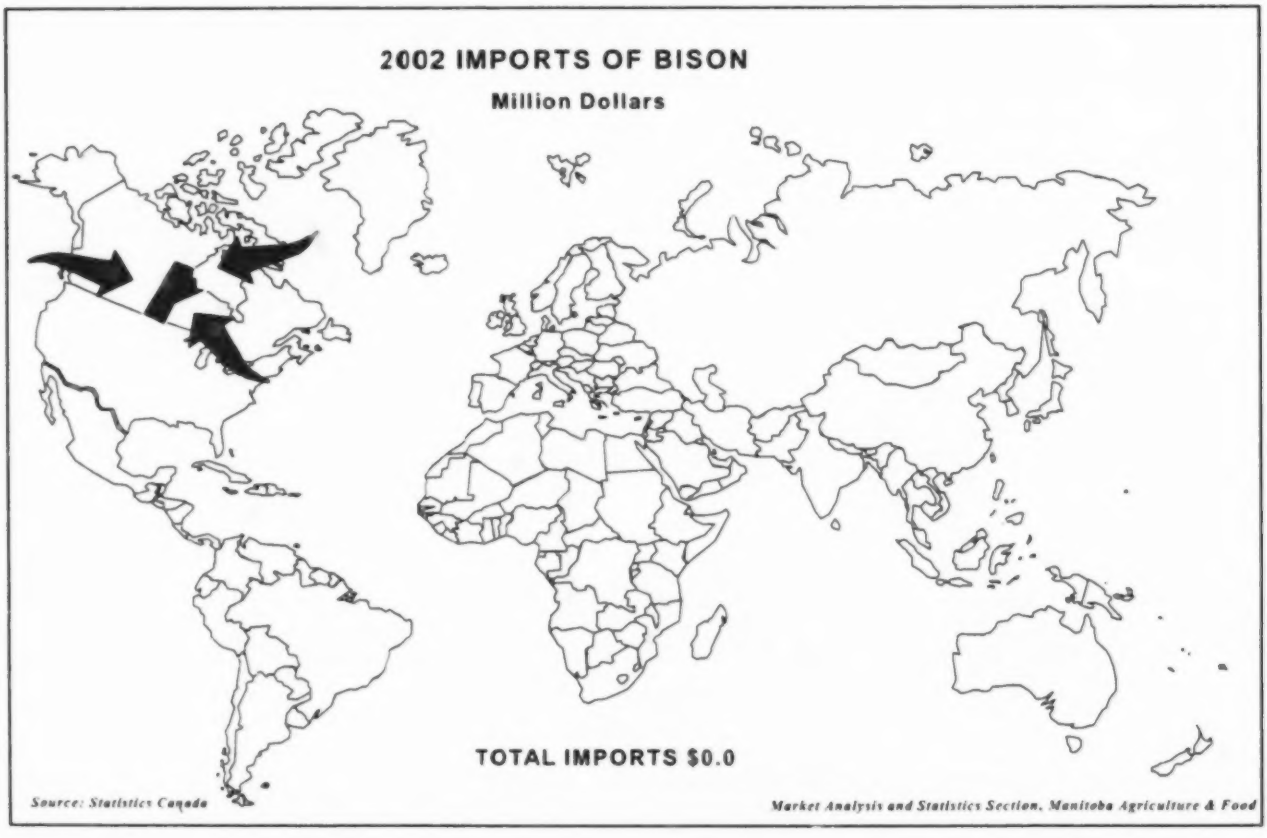
FARM VALUE OF BISON PRODUCTION
1992-2002



BISON EXPORTS
1994-2002




2002 EXPORTS OF BISON
Million Dollars
U.S.A. $1.55
TOTAL EXPORTS $1.55
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food


2002 IMPORTS OF BISON
Million Dollars
TOTAL IMPORTS $0.0
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

GOAT SECTOR

GOAT SECTOR PROFILE

Production:

The Manitoba goat industry is comprised of two main sectors, meat and dairy, as well as smaller sectors, such as those for wool and pets. Manitoba dairy goats are derived from the European breeds, while meat goats are mostly the Boer goat breed. The main "wool" goat breed is the Angora goat, which produces mohair. There are very few Angora goats in Manitoba. There were about 510 meat goat producers in 2002, one percent more than in 2001. Although much smaller than the cattle and hog industries, Manitoba's meat goat industry is the sixth largest in Canada, producing about seven percent of national goat production annually.

There was only one large commercial dairy goat producer in Manitoba with 340 goats in 2002, but there were also small numbers of dairy goats on other farms. About 25 farms had a total of 130-140 dairy goats, which produced milk for farm use.

The total value of goat meat and dairy production was estimated at $1.3 million in 2002.

Marketings, Slaughter and Exports:

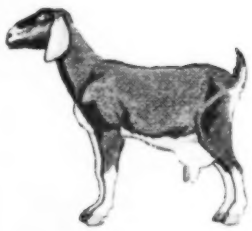
Manitoba meat goat sales increased fairly steadily from 1986 to 1996 and have expanded by 43 percent from approximately 7,000 head in 1996 to approximately 10,000 head in 2002, partly due to the current period of profitable prices. However, Manitoba plants slaughter only 0.6 percent of the goats killed in provincially and federally inspected plants in Canada.

Meat goats are marketed through Manitoba auction markets or sold to brokers, who arrange for the goats to be slaughtered in Manitoba or exported to eastern Canada and the United States. Goats are also custom-killed for the retail and restaurant markets and killed on farms, mainly for/by the ethnic trade. Fourteen provincially-inspected plants in Manitoba killed 249 goats in 2002, a decrease of 17.5 percent from 2001. It is estimated that 7,000 goats were slaughtered on farm for/by customers in 2002, similar to the previous year. In 2002, an estimated 7,000 goats were shipped to Ontario and Quebec, primarily for slaughter, with a few for breeding. This compares with 9,000 exported to eastern Canada in 2001. Approximately 2,000 goats were shipped to the United States in 2002 valued at about $235,000.

An estimated 116,000 litres of goat milk were pasteurized and sold as fluid milk to retail outlets in the Prairie provinces and Northern Ontario or processed into feta and other cheeses.

Potential:

The Manitoba Goat Association and partner organizations received funding to stimulate growth of the industry in Manitoba. The Manitoba Goat Industry Initiative continues to support the development of new educational, financial and demonstration resources. Through the initiative, goat production was promoted as a value-added marketing option for forages. Goats are efficient converters of forage to meat and they can be used in complimentary grazing practices because of their slightly different grazing preferences. Goats will eat weeds such as leafy spurge and shrubs. Expansion of the goat meat and dairy goat industries will continue to be promoted to new and existing producers. One operation is producing a specialized pet food using goat meat. Demand for both dairy and meat goat breeding stock remains strong in domestic markets and international markets such as the United States. Export markets for meat and hides, particularly in Mexico and Europe, also have potential.



GOAT SECTOR

	1999	2000	2001[R]	2002[P]	'02 as a % of '01
NO. OF GOAT FARMS:	500	500	507	511	101
% of Canada	N/A	N/A	6.6	N/A	
Meat Goats	499	499	506	510	101
Commercial Milk Goats	1	1	1	1	100
GOATS ON FARMS JULY 1:					
Commercial Milk Goats	410	466	300	340	113
Total Goats	11,000	12,000	12,640	13,000	103
% of Canada	N/A	N/A	6.9	N/A	
MEAT GOAT MARKETINGS:	8,000	9,000	9,300	10,000	108
VALUE OF GOAT PROD. ($million):	1.3	1.2	1.3	1.3	100
Meat Goats (est)	1.1	0.9	1.0	1.1	110
Milk Goats (est)	0.2	0.3	0.3	0.2	60
GOAT PRICES - Toronto ($/cwt):					
Kids	90	82	77	83	108
Nannys (Does)	115	115	113	106	94
Billys (Bucks)	115	115	113	106	94
GOAT PRICES* - Manitoba ($/head):					
Kids	64	65	68	62	91
Nannys (Does)	73	79	82	74	104
Billys (Bucks)	109	112	119	114	96
GOAT SLAUGHTER (head):					
Inspected Slaughter in Manitoba	224	217	302	249	82
Custom Killed on Farms (est.)	4,000	6,000	7,000	7,000	100
EXPORTS OF GOATS:					
To Other countries: Number	120	442	53	2,000	3,774
Value($)	63,510	22,860	61,640	235,000	381
To Eastern Canada: Number	4,000	4,000	9,000	7,000	78
To Western Canada: Number	1,000	350	N/A	N/A	
IMPORTS:					
Goats from W.Canada/U.S. (est.)	N/A	N/A	7,000	6,000	86

* Grunthal Livestock Auction Market prices only in 2002

GOAT INDUSTRY CHART, 2002

ANNUAL OPERATING & CAPITAL COSTS:
($ million)

FEED:	0.24
OTHER OP:	0.34
FIXED:	0.14
LABOUR:	0.20
TOTAL:	**0.92**

MEAT GOAT FARMS: 510
MILK GOAT FARMS: 1
TOTAL GOATS ON FARMS on July 1, 2002: 13,000

BREEDING STOCK IN:
USA: 10 HEAD
INTERPROV: N/A

BREED. STOCK OUT:
USA/OTHER: N/A
INTERPROV: N/A

MILK PRODUCTION DAIRY GOATS:
116,000 LITRES[E]

MEAT GOAT IMPORTS:
USA: N/A
INTERPROV. IN: 6,000[E]

GOATS PRODUCED:
10,000 HEAD

MEAT GOAT EXPORTS:
USA: 2,000 HEAD
INTERPROVINCIAL:
EAST: 7,000[E] HEAD

GOATS MARKETED:
16,000 HEAD

FARM GATE SALES:
7,000[E] HEAD

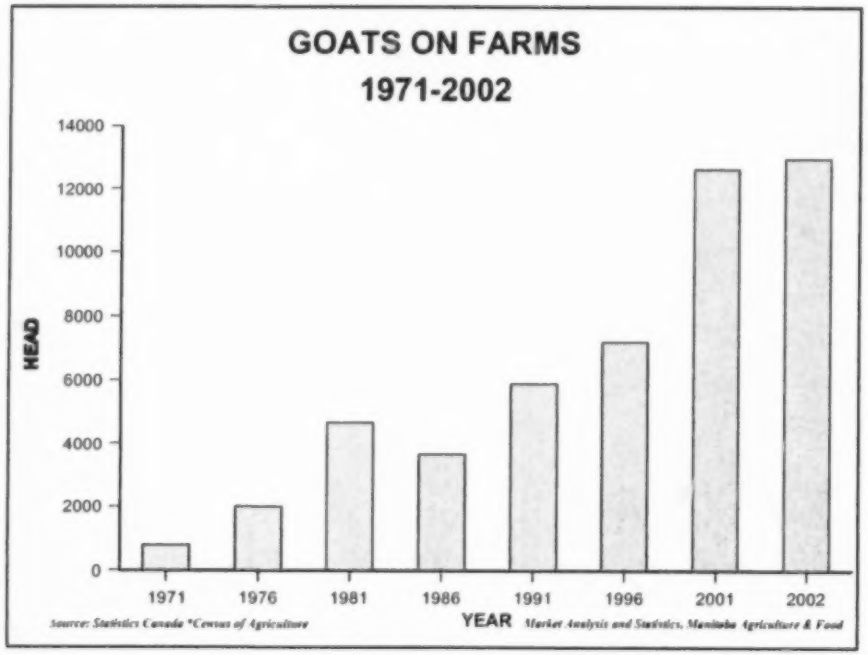
GOAT SLAUGHTER IN PROVINCIAL PLANTS:
249 HEAD

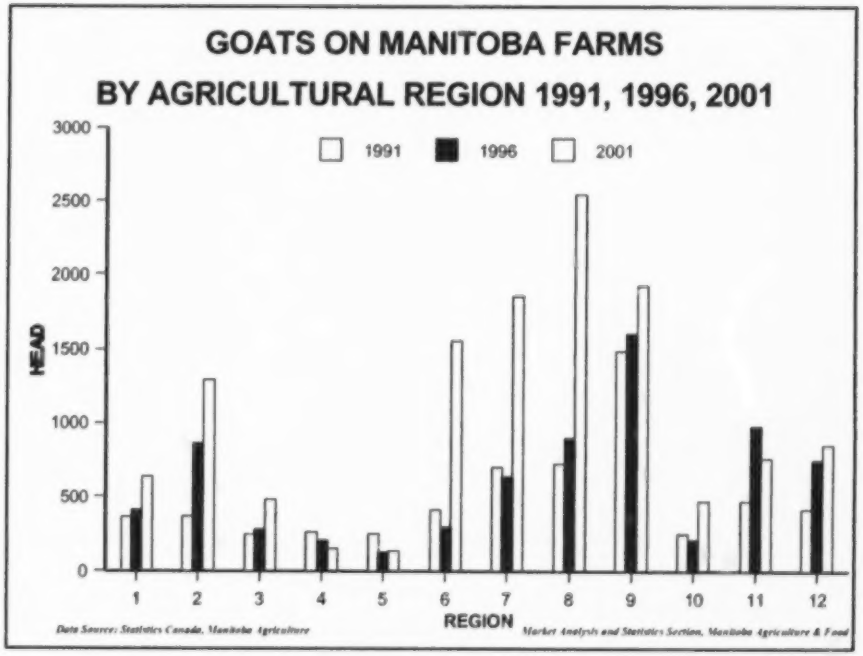
FREEZER TRADE:
100 HEAD

MANITOBA RETAIL AND RESTAURANT TRADE

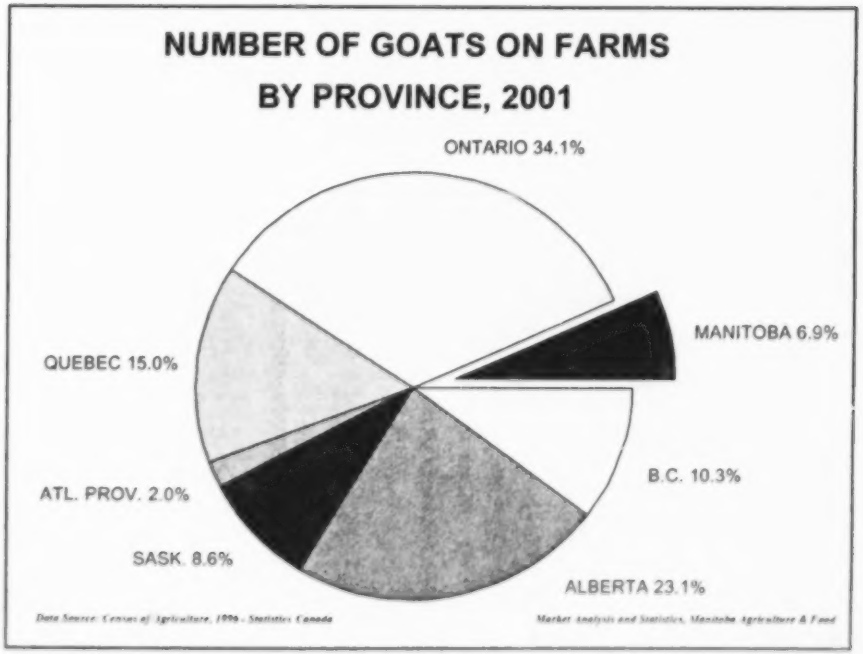
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada, Manitoba Goat Association

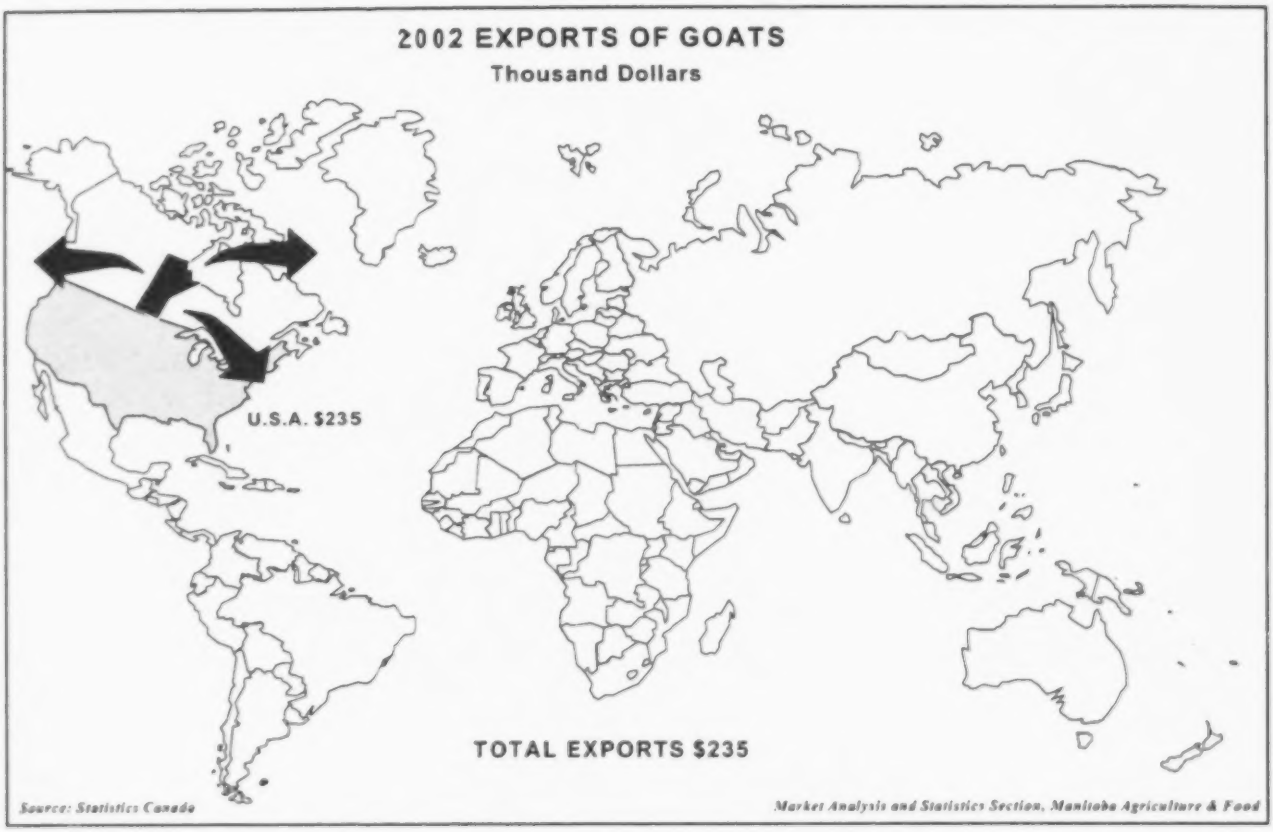
[E] Estimated


GOATS ON FARMS
1971-2002
HEAD
14000
12000
10000
8000
6000
4000
2000
0
1971
1976
1981
1986
1991
1996
2001
2002
YEAR
Source: Statistics Canada *Census of Agriculture
Market Analysis and Statistics, Manitoba Agriculture & Food


GOATS ON MANITOBA FARMS
BY AGRICULTURAL REGION 1991, 1996, 2001
1991
1996
2001
HEAD
3000
2500
2000
1500
1000
500
0
1
2
3
4
5
6
7
8
9
10
11
12
REGION
Data Source: Statistics Canada, Manitoba Agriculture
Market Analysis and Statistics Section, Manitoba Agriculture & Food

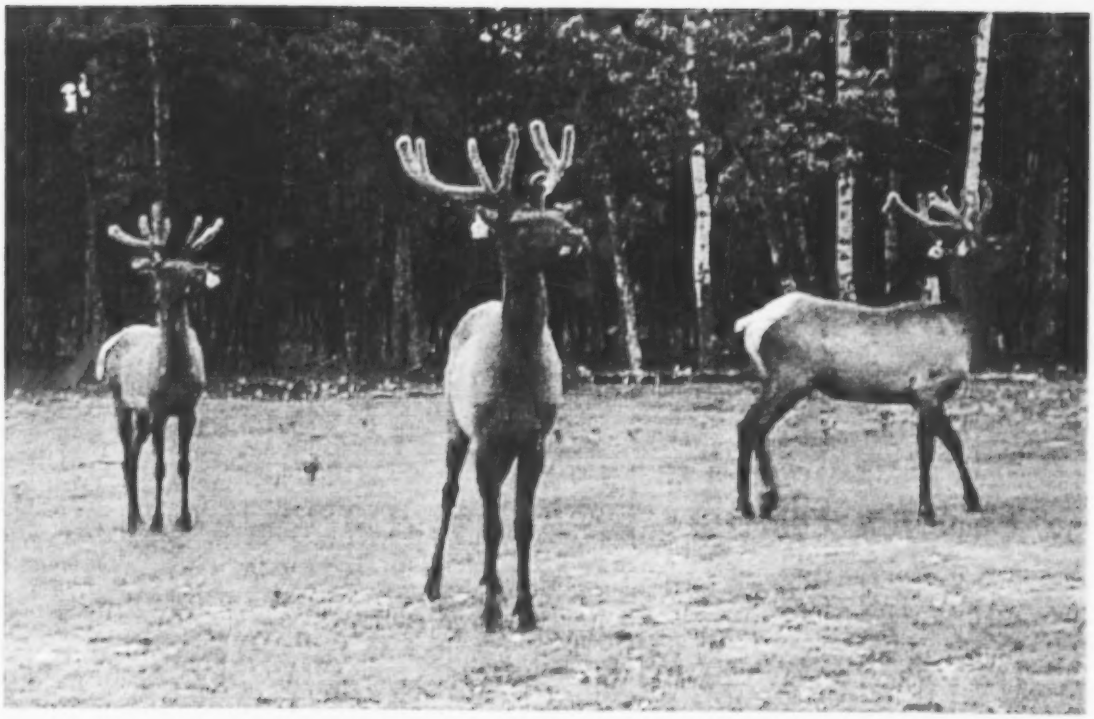
SEASONAL GOAT PRICES BY MONTH
WINNIPEG VS TORONTO, 2002
$PER CWT
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
WINNIPEG
TORONTO
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
MONTH
Market Analysis and Statistics, Manitoba Agriculture & Food


NUMBER OF GOATS ON FARMS
BY PROVINCE, 2001
ONTARIO 34.1%
MANITOBA 6.9%
QUEBEC 15.0%
B.C. 10.3%
ATL. PROV. 2.0%
SASK. 8.6%
ALBERTA 23.1%
Data Source: Census of Agriculture, 1996 - Statistics Canada
Market Analysis and Statistics, Manitoba Agriculture & Food


2002 EXPORTS OF GOATS
Thousand Dollars
U.S.A. $235
TOTAL EXPORTS $235
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

2002 IMPORTS OF GOATS
Thousand Dollars
TOTAL IMPORTS $0.0
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture & Food

CERVID SECTOR



CERVID (ELK AND OTHER DEER) SECTOR PROFILE

Production:

Velvet antler products for medicinal purposes have been imported by Asian countries from Russia since the 19th century and from New Zealand and North America since the 1970's. With the increasing demand for velvet antler and for lean, healthy red meats, elk and deer farming is becoming a popular alternative form of animal agriculture. About five million cervids (elk, red deer and other deer) are farmed around the world, most of which serve the dual purposes of meat (venison) and antler production. Commercial elk farming began in Canada in 1976, when the first permit was issued. Canada, with over 96,100 elk on farms in 2002, has about 40-50 percent of the North American elk population and has become an important source of breeding stock and antler products. Manitoba began elk farming in 1993 with 90 animals. By the end of 2002, there were 3,731 elk on 86 farms, a decrease of one percent from 2001. The province also had 600 fallow deer, 80 white-tailed deer and 50 other deer on 5 farms in 2002.

Historically, wild elk and other deer could be found throughout the agriculture areas of North America. By nature, cervids are easily domesticated and adaptable to a great variety of farmlands and management strategies. Elk are well suited to extensive livestock agriculture. Wild elk may be herded and captured easily, and once captured, quickly adapt to their new environment. Handling elk is more challenging than handling other types of livestock as the animals are relatively large, excitable and very athletic. Properly designed and built handling facilities are essential. Elk graze grasses, legumes and other herbaceous plants, and browse the twigs, leaves and bark of woody shrubs and trees. They may be farmed in bush pastures, on highly productive intensive grazing operations, on wide-open ranches or feedlots. In winter, supplemental feeding is required, such as hay, haylage or silage, which may also include minerals, vitamins, energy and protein. Elk calve in the spring, breed in the fall. Farmed elk breed very successfully, averaging over 90 percent calving rates, and calves grow very quickly.

Markets and Trade:

The use of antler products for nutriceutical and dietary supplements in Asia has occurred for over 2000 years. Venison is a traditional and highly desired food item in European

markets, and elk (wapiti) meat is a scarce and superior type of venison. Elk trophies are one of the most sought after goals for hunters with demand exceeding the supply. In response to market demands, the elk breeding stock market has been very lucrative for the past twenty years. However, prices for elk velvet antler (EVA) have fluctuated recently due to changing markets. The rise from $25/lb in 1998 to $45/lb in 2000 reflects increasing demand and ability to pay for product over that period of time. The 2002 Manitoba breakeven price is estimated to be $44/lb. Until a few years ago, most EVA was exported as fresh frozen product from North America to South Korea or Hong Kong. That has changed and now at least 45 percent is consumed in North America. Consumers are increasingly from non-Asian backgrounds, and include athletes, arthritis sufferers, and owners of performance horses and other pets. In New Zealand, deer farmers tend to respond to lower antler velvet prices by slaughtering all their poorer quality males for venison. In North America the response to the last price drop was to develop new markets.

The value of cervid production (elk and deer marketings, inventory change plus EVA sold) in Manitoba was about $1.8 million in 2002, double the 2001 value.

Potential:

As the increase in EVA prices have been compounded by a significant fall in breeding stock prices, Manitoba cervid farming has good potential. Opposition to the industry has been reduced by improved management and production techniques, markets that existed long before industry development have not been satisfied and promotion and marketing campaigns will ensure that market development continues.

CERVID (ELK AND OTHER DEER) SECTOR

	1999	2000	2001[R]	2002[P]	'02 as a % of '01
NO. OF CERVID FARMS:	91	95	100	90	90
Elk	90	89	87	86	99
% of Canada	7.8	7.6	7.4	3.2	
Deer	17	17	16	5	31
% of Canada	2.2	2.2	2.0	<1	
CERVIDS ON FARMS DECEMBER 31:					
Elk	2,000	2,803	3,359	3,731	111
% of Canada	3.8	4.2	4.1	3.9	
Deer	800	780	962	730	76
% of Canada	1.1	1.0	1.3	0.9	
Fallow Deer	650	700	800	600	75
White-tailed Deer	60	50	100	80	80
Other Deer	90	30	60	50	83
VALUE OF PRODUCTION ($ million):	2.6	1.3	0.9	1.8	200
Elk (est)	2.5	1.3	0.5	1.7	340
Deer (est)	0.1	0.0	0.4	0.1	25
AVERAGE CANADIAN PRICES:					
Elk ($/head):					
Bred Cow	6,175	4,130	1,250	550	44
Bull	1,570	2,900	1,160	800	69
Heifer Calf	4,190	2,670	450	200	44
Bull Calf	1,930	1,780	357	400	112
White-tailed Deer ($/head):					
Bred Doe	5,600	3,325	2,885	800	28
Yearling Doe	6,325	4,395	2,756	400	15
Yearling Buck	3,420	2,150	1,175	500	43
Doe Fawn	3,205	1,910	1,322	250	19
Buck Fawn	1,670	1,420	900	300	33
Velvet Antler (frozen, FOB farm) ($/lb)	32	45	8-22	19 - 40	190
INSP. MANITOBA SLAUGHTER (head):					
Elk	0	0	131	43	33
Deer	162	3	232	58	25
INDIVIDUAL ANTLERS HARVESTED:	593	702	N/A	1,500	-
Velvet antler (green) produced (lb)	2,874	3,661	2,215*	9,500	430
*not all reported					
EXPORTS OF CERVIDS:					
To Other Countries: Number	17	0	0	42	-

ELK AND OTHER DEER INDUSTRY CHART, 2002

ANNUAL OPERATING & CAPITAL COSTS:
($ million)

FEED	0.6
OTHER OP:	1.7
FIXED:	1.0
LABOUR:	0.3
TOTAL:	**3.6**

ELK FARMS: 86
TOTAL ELK ON FARMS: 3,731
OTHER DEER FARMS: 5
TOTAL DEER ON FARMS: 730

BREEDING STOCK IN:
USA: N/A
INTERPROV: N/A

ELK/DEER IMPORTS:
USA: N/A
INTERPROV. IN: N/A

INDIVIDUAL ANTLERS HARVESTED:
N/A

ELK/DEER EXPORTS:
USA: 42
INTERPROVINCIAL:
EAST: N/A

ELK/DEER PRODUCTION:
$1.8 MILLION

EVA PRODUCTION:
9,500 LB
(EXPORTED TO USA, SOUTH KOREA, CHINA)

VENISON EXPORTS:
EUROPE $0
USA $0

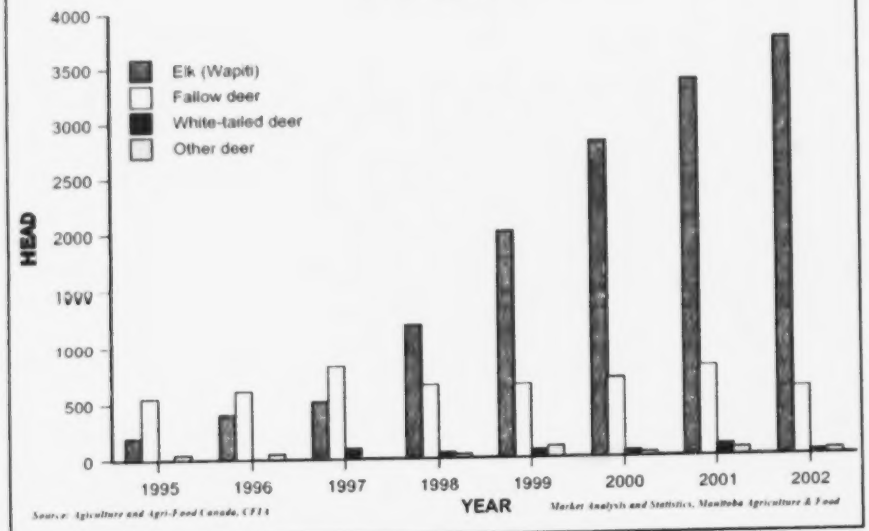
ELK/DEER SLAUGHTER IN PROVINCIAL PLANTS:
43 HEAD

FREEZER TRADE:
N/A

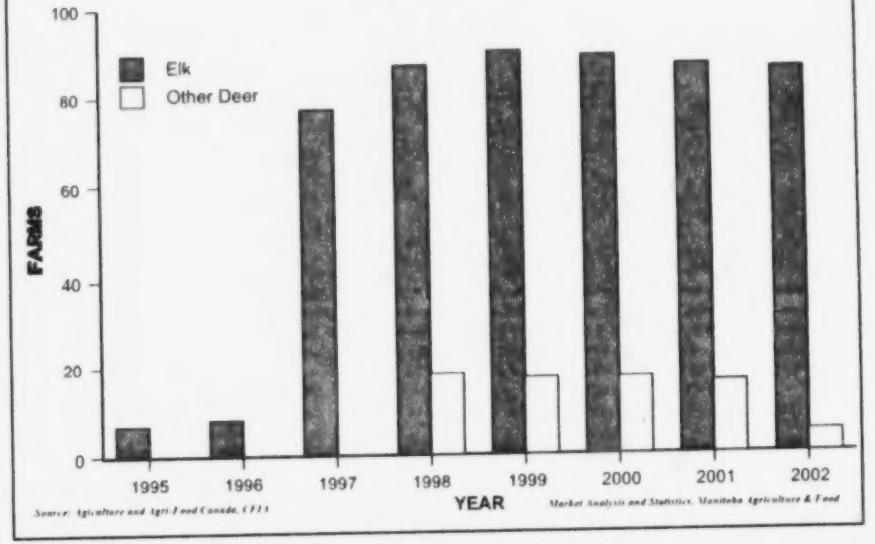
MANITOBA RETAIL AND RESTAURANT TRADE

DATA SOURCE: Manitoba Agriculture and Food, CFIA, Agriculture & Agri-Food Canada, Ian Thorleifson
***not all reported**

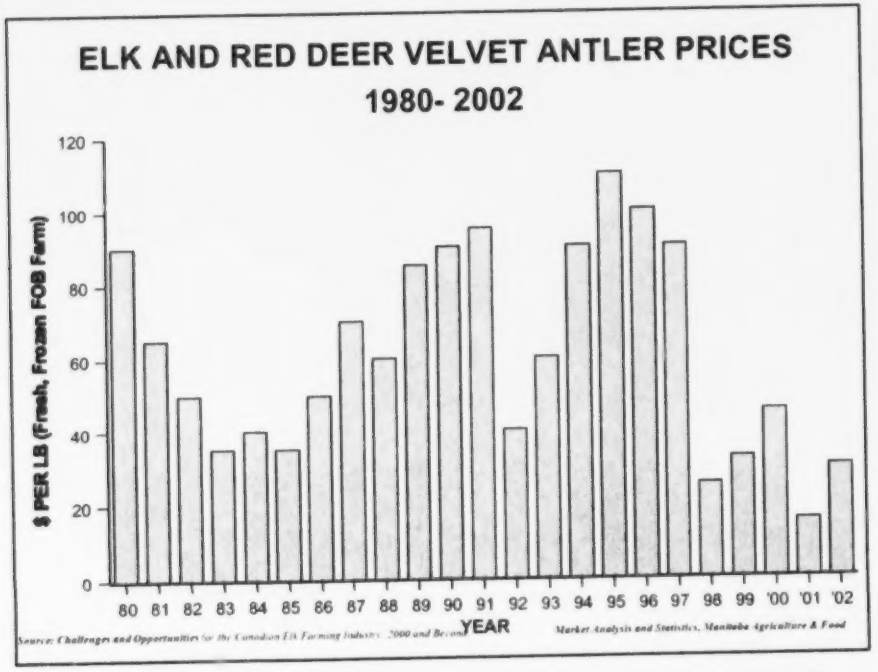
ELK AND OTHER DEER ON FARMS
1995- 2002



NUMBER OF DEER (CERVID) FARMS
1995- 2002



ELK AND RED DEER VELVET ANTLER PRICES
1980- 2002


120
100
80
60
40
20
0
$ PER LB (Fresh, Frozen FOB Farm)
80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 '00 '01 '02
YEAR
Source: Challenges and Opportunities for the Canadian Elk Farming Industry: 2000 and Beyond
Market Analysis and Statistics, Manitoba Agriculture & Food

NUMBER OF ELK AND OTHER DEER ON FARMS
BY PROVINCE, 2001